CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

NOVEMBER 7, 1988

CHANGING ARITHMETIC IN SYSTEM VALUES

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Wireless crowd gets wired

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Financial Roundtable participants point to 'day of the operator.'

Photo by George Burnett

Subscriber Circulation	
TV Guide	16,000,000
The Cable Guide/TVSM	8,000,000
Cable Publications Inc.	5,100,000
Cabletime	4,600,000
Premium Channels	3,000,000
Cableview	2,600,000
TV Host	2,000,000
Cosmo Graphics	1,700,000
Cable Viewer	N.A.

N.A. - not available

The growing guide business

40

COMMENTARY

Franchise fees

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The issue of franchise fees is back in the news with a ruling in the Palo Alto case that charging five percent of an operator's gross receipts for use of public rights of way "impermissibly discriminates against exercising protected First Amendment rights."

A few years ago, the cable industry would have greeted such a pronouncement from the federal bench like manna from heaven, but in these confused, dying days of the '80s, such is not the case. Instead, industry leaders are distancing themselves from the case and counseling caution. And given the complications presented in this Gordian knot of a decision, such actions are understandable.

As a general proposition, disallowing franchise fees, deposits and surety bonds—while significantly improving an incumbent operator's revenue picture—radically improves an overbuilder's financial equation. And while it would be nice if the industry could pocket the roughly $600 million it pays cities in franchise fees, doing so could come at terrific expense, namely severing the bond between operators and cities. An end to franchise fees is the one thing capable of driving the cities into the telcos' camp. It cannot be viewed as pure coincidence that within days of the Palo Alto ruling the cable policy-making arm of the National League of Cities adopted a strident, pro-telco position calling for some cable re-regulation.

While caution perhaps is the correct pose for the cable industry in cases such as this, the cities should embrace fresh thinking and a degree of legal activism. Just as cable was willing to accept new must-carry rules as long as the other side could come up with a legally sound underpinning for them, so, too, does it appear that the industry will continue to go along with franchise fees if cities can prove their constitutionality. The judge in the Palo Alto case, it should be noted, wrote a 61-page opinion without once mentioning the Cable Act. And that speaks much about the arguments that were presented to him.

—*Steve Tuttle*
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ABP BPA

PROGRAMMING

Rating cable by people meters

By Wayne Friedman

WHEN I
THIS OFF

***The Cosby Show* is taking independent/ superstation WWOR from sixth to second place at 7 p.m.**

It's the same old song, but in a different tempo. For cable programmers and independent stations, the old song is ratings; the new tempo is the people meters.

September marked the first month since the new measuring system was put in place a few seasons ago that cable, network and independent station executives could compare a full season's worth of data. The results have been more of the same: indies and cable continue to eat into network viewing.

"By and large the change in methodology has not caused too much difference in these trends," says Bob Sieber, vice president of research for Turner Broadcasting System. To cable and independent stations, people meters represent a more level playing field on which to survey ratings and, more importantly, audience composition.

In the first year-to-year comparision of this data, September '87 to September '88, cable picked up two share points; indies, one; pay cable, one in the all-important prime time daypart for all television homes (*see charts*). Network viewing, as expected, bore the brunt of these incursions, losing four share points. For cable, TBS' Sieber says this represents the continuation of a longer trend. "The cable-originated networks have done well because they have maintained their ratings as they have grown (in subscribers)."

It hasn't been only cable that has benefited, however. Independents also have shared the wealth, not only in total U.S. homes but also in the growing segment of cable homes in the prime time daypart. If superstations are not counted, TBS' Sieber notes that average prime time shares for indies in cable homes has climbed from 6.5 in 1984 to a 7.2 so far this year.

Better movie packages and the effects of first-run series, such as *Star Trek: The Next Generation*, are the causes of the indies' rise, says Susan Rynn, director of research for the Association of Independent TV Stations. She particularly points to a three-share-point increase from February to May and a two-point gain from May to August. It was in this time period, Rynn says, that many independent stations took advantage of the networks' weak convention coverage as well as the writers' strike. In addition, independents, as well as cable, generally make gains against the networks in the summer because of reruns.

But overall, Sieber says, the picture is not as positive for indies as it is for cable. "They are gaining ground in total homes, but losing ground in cable homes," he says. His research indicates that, in cable homes, independent stations—sans superstations—have seen a 24-hour decline in average ratings over the last couple of years from a 4.5 in '82, to a 4.2 in '86, and a 3.9 in '88 (through September). This has occurred, he notes, while cable-originated programming in cable homes, naturally, has risen from a 2.5 in '82, to 5.2 in '86, to 6.4 in '88 (as of September).

Not so, says INTV's Rynn. She asserts that independent viewing in cable homes actually is stable. That's because it continues to be INTV's policy to include superstation viewing in its tracking of independent

Viewing shares of all television households, prime time
Monday-Sunday, 8-11 P.M. EST

	Sept '87	Nov '87	Feb '88	May '88	Aug' 88	Sept '88
Affiliate/Networks	69	72	72	68	59	65
Independents*	19	19	19	22	24	20
Public	4	4	4	4	4	4
Pay Cable	7	6	6	6	8	8
Ad-Supported Cable	10	9	10	10	13	12

*includes superstations
Source: Nielsen Cable TV Status Report

Viewing shares of cable households, prime time
Monday-Sunday, 8-11 P.M. EST

	Sept '87	Nov '87	Feb '88	May '88	Aug' 88	Sept '88
Affiliate/Networks	59	64	64	59	49	55
Independents*	18	18	17	21	22	18
Public	3	4	3	3	3	3
Pay Cable	11	10	10	10	14	12
Ad-Supported Cable	19	16	17	18	21	21

*includes superstations
Source: Nielsen Cable TV Status Report and INTV data

ratings. INTV says that as long as the signal originates from a market as an independent station, it will be counted as independent viewing. A.C. Nielsen agrees that this is how ratings/shares should be calculated. Rynn says that because ratings are generated for the purpose of advertisers and that because cable operators don't receive advertising avails for carrying these stations, the numbers should be included in the independent viewing pool.

The Cabletelevision Advertising Bureau and other cable research executives think otherwise. CAB, for instance, puts Superstation TBS Atlanta into the cable viewing pool because it's an active superstation; passive superstations such as WPIX-TV New York or WGN-TV Chicago remain in the independent pool. Some researchers, such as TBS' Sieber, tend to separate the major superstations from cable or independent, believing them to be another entity altogether.

In examining Nielsen's numbers, independent viewing as surveyed by INTV and Rynn indeed shows its stability. From September '87 to September '88, indies maintained an 18 share in prime time in cable households, while slipping just one share point in 24-hour viewing. Totalling Sieber's indie and superstation numbers also demonstrates stability among indies.

Cable and independents indeed have taken viewers away from networks, but how about each other? INTV's Rynn says this isn't happening. She points to some May '88 Nielsen numbers which show independents yielding a 22 share of all ad-supported television rating points for prime time, calculated either way—cable or total television households. Cable's share is 18 in cable homes, 18 in pay homes and 11 in all TV households. She concludes that cable and independents are not cutting into each other's turf but rather are taking viewers away from the networks.

But there is some erosion, according TBS' Sieber. Pointing to cable households again, indies' average ratings (less superstations) over 24 hours in cable homes has dropped, while cable programming ratings have risen. He concludes that almost all of the indies' growth has come in non-cable homes.

The networks have a different view of this. Yes, they say, there has been erosion but it will slow down.

Mike Eisenberg, vice president of audience measurement for CBS, says that with the number of new independent stations leveling off, and because "there really hasn't been any breakthrough programs this season for syndication," all signs point to a slowdown in viewing growth by indies.

As far as cable is concerned, Eisenberg suspects that cable's growth will get tougher to come by, especially with networks trying to program for a broader appeal. "Only a handful are truly national," he adds.

If you look at cable services, most appeal to a narrower audience, Eisenberg says. He expects cable viewing to level off by 1995, when he believes cable will have 60 percent penetration of U.S. households, and network shares will be the mid-60s range.

Advertising is the reason that share and ratings numbers exist. But they mean different things to different segments of the advertising industry.

It doesn't really matter, therefore,

Viewing share of cable households
Monday-Sunday, 24 hours

	Sept '87	Nov '87	Feb '88	May '88	Aug' 88	Sept '88
Affiliate/Networks	51	54	53	51	46	51
Independents*	21	22	22	23	23	20
Public	3	3	3	3	3	3
Pay Cable	11	10	10	11	13	12
Ad-Supported Cable	20	19	20	20	22	21

*includes superstations
Source: Nielsen Cable TV Status Report and INTV data

Viewing shares of all television households
Monday-Sunday, 24 hours

	Sept '87	Nov '87	Feb '88	May '88	Aug' 88	Sept '88
Affiliate/Networks	61	63	63	59	56	60
Independents*	23	23	23	25	25	22
Public	3	3	3	3	4	3
Pay Cable	7	6	6	7	8	7
Ad-Supported Cable	11	10	11	12	13	13

Source: Nielsen Cable TV Status Report

Average prime time ratings in cable households

	Affiliates/ Networks	Indies*	Cable	Superstations	Pay	PBS
1982	45.7	6.7	4.6	3.4	7.4	2.7
1983	43.2	6.7	5.7	3.5	7.8	2.3
1984	42.6	6.5	7.0	4.1	7.8	2.0
1985	42.1	6.8	7.4	4.1	8.0	2.3
1986	42.0	6.9	8.3	4.0	6.3	2.3
1987	38.9	6.9	10.2	4.2	6.6	2.3
1988	35.5	7.2	11.5	4.8	7.1	2.0

*less superstations
Source: TBS

Average ratings in cable homes, 24 hours

	Affiliates/ Networks	Indies*	Cable	Superstations	Pay	PBS
1982	19.7	4.5	2.5	2.7	3.5	1.1
1983	18.9	4.4	3.4	2.5	3.6	0.9
1984	18.9	4.1	4.3	2.9	3.5	0.9
1985	18.1	4.1	4.8	2.9	3.7	0.9
1986	18.2	4.2	5.2	2.7	3.0	1.0
1987	16.6	4.0	6.2	2.6	3.4	1.0
1988	15.9	3.9	6.4	3.0	3.7	0.9

*less superstations
Source: TBS

if indies or cable are ahead in audience share.

Cable executives say they are attempting to capture dollars that now go into network advertising, for instance. Independents keep their coffers full from two non-network advertising sources, national spot and local ads.

That leaves barter syndication as the only real national alternative to cable. Even then, says Tim Duncan, executive director of Advertisers Syndicated Television Association, his segment of the industry—like cable—targets the major network broadcasters for their sales pitches because that $10 billion pot dwarfs cable's $1.1 billion bucket.

Syndication pulls in about the same as cable—about $1 billion. National spot draws $7 billion in advertising; local stations sell around $7 billion.

Although indications are that the networks are losing ground, those share and rating numbers don't automatically translate into ad dollars flowing elsewhere. Despite declining audiences, for the last two years the networks have been able to raise their ad rates while still seeing hefty increases in upfront revenue from advertisers.

One industry expert noted that "the decline in network share has not been the same level decline in network revenue." That means the networks still retain their status as the first and primary buy for national television advertisers.

While networks will continue to see their shares erode, Eisenberg says, there is something that has been and will continue to chew away viewers from all television delivery systems, something that Nielsen doesn't measure yet: VCR viewing. Says Eisenberg: "That impacts on everybody." ■

Pay-Per-View Supply Chart

November — Source

And God Created Woman — Vestron
MPAA Rating: R — Running Time: 100 mins.
Cast: Rebecca De Mornay

A New Life — Universal
MPAA Rating: PG-13 — Running Time: 106 mins.
Cast: Alan Alda, Veronica Hamel, Hal Linden, Ann Margaret

Beetlejuice — Warner Bros.
MPAA Rating: PG — Running Time: 90 mins.
Cast: Genna Davis, Michael Keaton

Biloxi Blues — Universal
MPAA Rating: PG-13 — Running Time: 107 mins.
Cast: Matthew Broderick, Christopher Walken

Bright Lights, Big City — MGM/UA
MPAA Rating: R — Running Time: 107 mins.
Cast: Michael J. Fox, Phoebe Cates, Kiefer Sutherland

18 Again — New World
MPAA Rating: PG — Running Time: 101 mins.
Cast: George Burns, Charlie Schlatter

Friday The 13th: The New Blood — Paramount
MPAA Rating: R — Running Time: 90 mins.

Ghoulies II — Vestron
MPAA Rating: R — Running Time: 89 mins.

I've Heard The Mermaids Singing — Miramax
MPAA Rating: PG — Running Time: 82 mins.
Cast: Sheila McCarthy

Jack's Back — Paramount
MPAA Rating: R — Running Time: 97 mins.
Cast: Cynthia Gibb, James Spader

Permanent Record — Paramount
MPAA Rating: PG-13 — Running Time: 91 mins.
Cast: Alan Boyce, Michelle Meyrink, Keanu Reeves

Plain Clothes — Paramount
MPAA Rating: PG — Running Time: 98 mins.
Cast: Harry Shearer, Robert Stack

Sunset — Columbia
MPAA Rating: R — Running Time: 107 mins.
Cast: James Garner, Bruce Willis, Mariel Hemingway, Malcolm McDowell

The Seventh Sign — Columbia
MPAA Rating: R — Running Time: 97 mins.
Cast: Demi Moore, Michael Biehn

Shoot To Kill — Touchstone
MPAA Rating: R — Running Time: 110 mins.
Cast: Sidney Poitier, Tom Berenger, Kirstie Alley

The Unholy — Vestron
MPAA Rating: R — Running Time: 102 mins.
Cast: Ben Cross, Hal Holbrook

You Talkin' To Me? — MGM/UA
MPAA Rating: R — Running Time: 97 mins.

December — Source

Above The Law — Warner Bros.
MPAA Rating: R — Running Time: 99 mins.
Cast: Steven Seagal, Henry Silva, Sharon Stone

Bad Dreams — 20th Century-Fox
MPAA Rating: R — Running Time: *
Cast: Bruce Abbott, Jennifer Rubin

Funny Farm — Warner Bros.
MPAA Rating: PG — Running Time: 102 mins.
Cast: Chevy Chase, Madolyn Smith

The New Adventures Of Pippi Longstocking — Columbia
MPAA Rating: G — Running Time: *
Cast: Tami Erin, Eileen Brennan, Dennis Dugan, John Schuck

Off Limits — 20th Century-Fox
MPAA Rating: R — Running Time: 102 mins.
Cast: Willem Dafoe, Gregory Hines, Amanda Pays, Fred Ward

Rambo III — Columbia
MPAA Rating: R — Running Time: 102 mins.
Cast: Sylvester Stallone, Richard Crenna

Rikky & Pete — MGM/UA
MPAA Rating: R — Running Time: 101 mins.

Salsa — Cannon
MPAA Rating: PG — Running Time: 99 mins.
Cast: Robby Rosa

Stormy Monday — Paramount
MPAA Rating: R — Running Time: 93 mins.
Cast: Melanie Griffith, Tommy Lee Jones

Vampire At Midnight — Skouras
MPAA Rating: R — Running Time: 93 mins.
Cast: Jason Williams, Gustav Vintas

Note: Running times are approximate.
NR indicates film not rated by MPAA.
*Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	ADDRESSABLE SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy I, tr.5	VideoCipher II	Movies, how-to's, special events.	1,000,000
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	Movies and special events.	1,400,000
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,000,000
Request Television	November 27, 1985	R-1: Satcom III-R, tr. 19 R-2: Satcom III-R, tr. 4	VideoCipher II	Two channels offering movies and special events.	3,300,000
Tuxxedo Network	December 1, 1987	Galaxy II, tr. 10	VideoCipher II	Adult movies and special events.	200,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Two channels of movies and special events.	3,200,000
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: movies. Channel 2: cult movies and video rental favorites. Channel 3: additional plays of Chs. 1/2 titles. Channel 4: previews and barker information.	60,000

Looking at listings: a guide to guides

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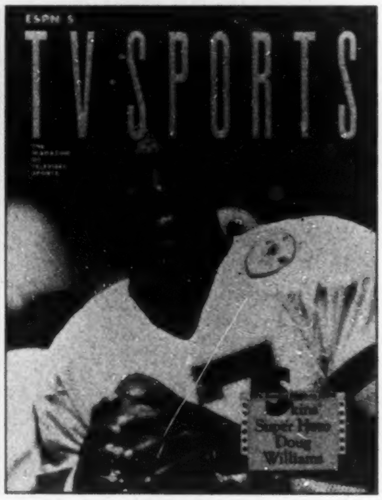
By Craig Kuhl

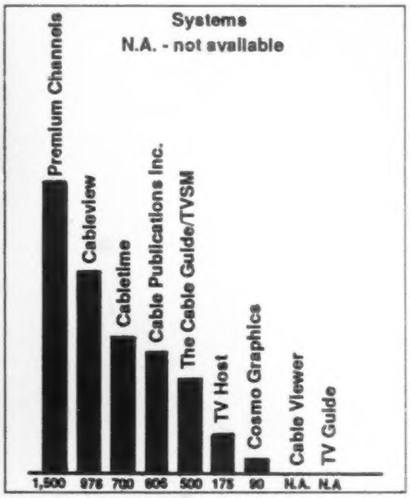
Subscriber Circulation	
TV Guide	16,000,000
The Cable Guide/TVSM	8,000,000
Cable Publications Inc.	5,100,000
Cabletime	4,600,000
Premium Channels	3,000,000
Cableview	2,600,000
TV Host	2,000,000
Cosmo Graphics	1,700,000
Cable Viewer	N.A.

N.A. - not available

With the $63 million contract between TCI's *Cabletime* and Crosby Vandenburgh Group, along with a surge in advertising, the cable guide business appears poised for rapid growth. But some nagging questions remain: Are today's guides delivering the right stuff to subscribers? Have operators bought into the "added value" of guides?



ESPN's *TV Sports* will start quarterbacking through the guide scene next month.



The cable guide business reached its nadir with Time Inc.'s *TV-Cable Week* debacle. Since then, the cable guide industry has regrouped; combined circulation has grown to around 20 million and rising, and more publishers are focusing on improved editorial content and format.

Yet it remains in doubt whether operators will unite behind the push to improve and expand cable guides. Some operators say they will invest in guides only if it improves the bottom line. For some, such as TCI, whose *Cabletime* is distributed free to the majority of its 4.1 million subscribers, the mandate is to keep red ink at a minimum. "It's a loss for us," says Warren Zeller, general manager of *Cabletime*. "But our top priority now is to increase our ad revenues while helping broadcast erosion."

The guide costs TCI about 42 cents per copy. It offers listings of cable programming customized for each of its 700 systems. Of that cost, about 17 cents is recouped through advertising revenue. But Zeller challenges the widely-accepted premise that guides should list all cable *and* local broadcast programming in each area. "We've heard the same speech for years — customize. What they're saying is to include everything, and I challenge that. All we care about is that our subscribers get good, reliable listings. The newspapers can fill in what we don't have," Zeller says. "Sunday supplements excel in local broadcasting, while we excel in cable listings."

Cable Publications Inc., a Crosby Vandenburgh division, will produce *Cabletime*. CPI publishes several other guides with a combined circulation of about five million, including *Choice*, *Cable Choice* (with a special Hispanic program highlights section to 150,000 homes in Los Angeles), and several local guides. CPI brings a wealth of publishing knowledge to the industry, specifically its president, John Crowley, former associate publisher of *Time* magazine.

> **'He (Murdoch) shed the light on the guide publishing industry, and not if we *should* spend, but how much, on programming guides.'**
>
> *—CPI President John Crowley*

Crowley points to Rupert Murdoch's purchase of *TV Guide* as a turning point for the guide industry. "He (Murdoch) shed the light on the guide publishing industry, and not if we *should* spend, but how much, on programming guides." He echoes the thoughts of many industry officials who maintain that a few major players are emerging in the guide business. "There is definitely a consolidation afoot. To be efficient, critical mass is needed. And to be truly competitive, more than one revenue stream is needed. Those who don't recognize this are in trouble."

Under Crowley's direction, CPI plans to make significant improvements in its advertising and editorial mix, which he admits has not yet been effective. "We don't have all the answers and we haven't effectively positioned the magazine to the market." Yet Crowley is optimistic. "Guides are like a new coat of paint—they change the look of everything, including people's viewing habits."

But do cable guides really change viewing habits? And is the "value added" of direct contact with subscribers really worth the cost of a cable guide? A recent study by Wilson and Associates, a cable marketing group in Denver, surveyed 902 people, aged 18-65, in six selected cities and found that, as Charlie Wilson, president of the firm, says, "cable guides have become an integral part of cable service and customers expect to receive them."

The study showed that 50 percent of the people used cable guides as their primary source of program and channel selection, while the other 50 percent used Sunday newspaper guides. Seventy-five percent at least scanned cable guides, while 40 percent referred to them often. Thirty percent used their guides daily, 25 percent used them a few days a week, while 33 percent did not use the guide at all. Sixty-seven percent thought their cable guides were helpful, while 40 percent said they would be "greatly" affected without the guides. And 80 percent said they would pay up to $2 or more for a "perfect" guide.

Yet the issue remains at the bottom line, added value or not. "There is no hard evidence that the use of a guide makes any difference in revenue streams to system operators," Wilson says. Evidence points to (revenue enhancement), but can we prove it? No."

Some in the industry, however, are quick to assert that the "added value" of a cable guide increases a subscriber's "comfort zone" and therefore increases subscriber retention—prompting a higher usage of pay services especially. As standalone publications, guides can offer operators an additional revenue stream through local advertising and usually represent the only direct contact with subscribers other than the monthly bill.

"It's the lifeline to your subscribers. If you don't get some type of information into their hands you're shooting yourself in the foot," says Bruce Smith, marketing manager for United Cable. "Newspapers now recognize this and are in it for the long haul."

With *TV Guide*'s expansion into the cable guide business, competition is sure to increase. It's recent launch of *Special Cable Edition—New York* puts the magazine—which has the world's largest circulation (16 million, down from 17.2 million in 1987) and the largest magazine ad revenues ($331 million in 1987)—in a position eventually to dominate the industry. "We expect *TV Guide* to grow dramatically as these (New York) systems are built," says Bill

Deitch, general manager of *T.V Guide*. And although cable listings are nothing new to it, 50 percent of *T.V Guide*'s listings now are cable and it will "pay more attention to cable" in the future, says Co-Editor Roger Youmans.

Premium Channels, which serves about 1,500 systems and three million subscribers, delivers its guide with the monthly bill "to soften the blow of the bill," according to Steve Goldmintz, executive vice president. *Premium Channels* is system-specific, meaning it customizes listings to match local carriage and channel number, as most guide publishers now do.

TV Host, which began publishing in 1966, distributes two million copies, up from just 300,000 in 1981. The guide, costing about 50 cents, is sent directly to subscriber homes. Lou Pirnik Jr., director of advertising, says the growth is in system-specific guides. "There's no question the growth we're feeling is from system-specific. If we were to publish all of the listings available, it would literally be a large phone book, and not cost efficient."

Most industry officials say advertising is the critical element in the growth of guides and a major attraction for operators. But it's difficult to come by. "It's a tough sell," says Pirnik. "You're in competition with large circulation publications nationally, and your guide has to position itself well to compete." Pirnik agrees that attrition and consolidation will continue. "The number of industry guide publishers will continue to shrink. People are re-positioning themselves and the cable guide universe is now relatively small."

Currently, the top 10 cable guide publishers account for more than 90 percent of business, and one well-placed industry official suggests that two of those publishers will be gone by 1990.

That attrition rate hasn't gone unnoticed. "Operators are skeptical about cable guides because so many have gone downhill. It's the strong ones that have survived," laments Mark Rubin, national sales manager for *Cableview*, which has 2.6 million customers. "The pressures are from newspapers. Operators are saying that they can get all the listings they need from their local papers. But they can't communicate directly to their subs through the newspapers like they can with guides," he says.

Officials at Cosmo Graphics, which provides cable and broadcast listings to more than 10 million readers through 800 newspapers and guides reaching 1.7 million subscribers and 90 cable systems, aren't convinced that newspapers can adequately provide listings information on their own, and in fact face a logistical nightmare if they attempt it. "Very few produce their own listings because of the updates and number of channels available," says Chris Stark, president of Cosmo Graphics.

A major factor in the expansion in the guide industry in recent years has been the growth of pay-per-view and premium services. Those services have created their own markets, and guides have followed. According to Mark Edmiston, chairman of TVSM, the largest cable guide publisher with eight million customers, big changes have taken place the past two years. "The industry was looking for major promotions with pay and premium services and not providing its subs with well-diversified listings. Now, system-specific guides and advertising revenues have opened up a whole new spectrum for cable television," he says. And that opportunity, Edmiston believes, is likely to expand. "In the next few years, penetration of cable will reach 70 percent, meaning more than 20 million homes will be receiving cable guides." The guide business currently is increasing in circulation by one million a year, Edmiston says. TVSM President Neil Heller notes that "ten years ago, there were just nine channels, now there's 56. People need a way to find them." TVSM, which publishes *Cable Guide*, has found ad revenues soaring as well—$13 million for the first six months of 1988 compared to just $8.7 million for all of 1987.

Further, Edmiston says, approximately one-third of the operators served by TVSM charge for the guide, generally between $1 and $1.50. As noted, the Wilson and Associates study found that 80 percent of cable users would be willing to pay for a guide that contained material they deemed important—a significant statistic for proponents of guides and the dual revenue stream argument.

Accordingly, content is now considered paramount to cable guide publishers, particularly to the few cable networks that produce their own guides. Editorial ownership and self-promotional opportunities drive their guides, but it's costly. Steve Gutman, chairman of The Disney Channel's guide, says "we don't command the numbers like other services do because of the original programs we air, which are not readily noticeable, so we need our own guide." Disney's magazine now is mailed to 4.2 million customers, and it expects an eight percent increase next year. "We lose a ton of money, but the costs are worth it," Gutman maintains. "The justification is the same as for the operators—

a proven retention device. Without it, we would probably lose as many subs as it takes dollars to produce the magazine." Gutman reports that the magazine will sell $4 million in mail order advertising next year and $6 million in ads. He says the book has saved $4.5 million the past two years because of more advertising, less frequency and stronger cost management.

The Discovery Channel guide, on the other hand, is a break-even proposition while operating with much less financial clout than Disney. "From day one we've broken even," says Greg Moyer, vice president of marketing and communications. TDC's guide has 120,000 paid subscribers, sold at about $1 an issue, and just two full-time people. "We don't have the money to produce outside, and usually the bigger guide publishers want too much editorial control, and that's unacceptable to us. We consider the magazine a self-liquidating marketing tool," Moyer says.

TDC conducted a study in Atlanta and San Diego to determine if the magazine increased ratings. "When the 6,000 subscribers received the magazine, we increased our ratings 50 percent. That's fairly compelling," Moyer reports. "Our guide doesn't exist to influence overall viewing behavior, but it gives us a chance to aggressively market our product," Moyer concludes.

The newest guide to join the fray is ESPN's *TV Sports*, due out Dec. 4 as a Sunday supplement in 2.1 million home-delivered newspapers. The guide will highlight sports programming.

"Our research points to a frustrated viewer who can't easily find his or her favorite sports," says Bill Ketchum, ESPN senior vice president of network marketing. The guide will be produced by CV/G's custom magazine division, with R.J. Reynolds, TransAmerica and Phillip Morris providing major ad support.

On the core question of how guides are viewed by subscribers, many offer optimistic insights. Grace Slojkowski, United Cable's marketing coordinator for *Cable Guide* in Los Angeles, says 82 percent of United's subscribers there are buying the guide at $1.50 a copy through various packages. "It's working well,' she says. "I don't think we're losing money on the guide and the customers seem satisfied."

Viacom's Nashville Cablevision is one of the few operators choosing to publish its own guide. "We charge $1.50 a month for the guide, which breaks us even. Local advertising provides our profit margin," says David Wilson, vice president and general manager of the system. "Our guide is cheaper than *T.V Guide* and is system-specific, while it also helps us increase our pay services. If you give your guide away, it won't affect your bottom line; if you charge, it will," Wilson says. "If we included the guide in our basic package it would be buried in the subscriber's rate. We give them the option of buying it." Sixty percent of Wilson's subscribers now take the guide.

Until that quantification exists, the issue probably will remain at the bottom line. ■

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CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	365	8,000,000
Alternate View Network	250	4,000,000
Arts & Entertainment (A&E)	2,600	36,000,000
Black Entertainment Television	1,200	20,000,000
Cable News Network	11,860	46,238,000
Cable TV and Appliance Network	N.A.	1,500,000
Cable Value Network	1,850	20,000,000
CBN Family Channel	8,215	41,642,000
C-SPAN	3,014	39,200,000
C-SPAN II	539	15,400,000
Country Music Television	862	8,000,000
The Discovery Channel	3,567	35,800,000
Eco	300	1,000,000
ESPN	9,500	47,800,000
Eternal Word Television Network	461	10,100,000
Family Guide Network	60	4,500,000
FamilyNet	47	1,200,000
The Fashion Channel	600	10,100,000
Financial News Network	3,500	31,000,000
FNN/Score	1,150	19,800,000
FNN/TelShop	950	11,000,000
Headline News	3,228	32,693,000
Home Shopping Network	1,375	15,941,099
Home Shopping Network II	313	5,620,780
The Inspirational Network	950	10,500,000
International Television Network	56	7,868,900
The Learning Channel	930	12,800,000
Lifetime	3,600	40,800,000
Mind Extension University	84	1,700,000
Movietime	200	7,500,000
MTV	5,010	42,700,000
The Nashville Network	7,335	41,051,392
Network 1 USOA	N.A.	N.A.
Nick At Nite	3,285	36,400,000
Nickelodeon	6,195	41,200,000
The Nostalgia Channel	290	3,500,000
Prevue Guide	200	5,300,000
QVC Network	931	12,600,000
RFD TV	N.A.	N.A.
Shop Television Network	119	4,400,000
Silent Network	380	10,300,000
Superstation TBS	8,171	45,718,000
Tempo Television	700	8,000,000
TNT	1,279	17,040,000
The Travel Channel	300	11,000,000
Trinity Broadcasting Network	650	8,000,000
Univision	340	N.A.
USA Network	10,100	45,200,000
VH-1	2,140	27,900,000
Vision Interfaith Satellite Network	N.A.	6,200,000
The Weather Channel	3,240	36,100,000
WGN-TV	11,000	24,900,000
WWOR-TV	2,499	12,302,073
WPIX-TV	858	9,678,474

Bonus/basic services

American Movie Classics	1,500	13,000,000
Bravo	350	1,300,000

Pay services

American Exxxtasy	35	27,000
Cinemax	3,650	5,100,000
The Disney Channel	5,000	3,810,000
Festival	100	42,500
Home Box Office	7,400	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	550	490,000
Showtime	6,000	6,300,000

Audio services

Cable Radio Network	49	1,556,736
Galatic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,578,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000

Computer services

DBC/MarketWatch	462	9,200,000
X*Press Executive	457	6,100,000
X*Press X*Change	457	6,100,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Interactive services

Basic services	Affiliates	Subscribers
Telaction	4	25,000
Video Jukebox Network	9	268,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	177,000
Bay Area Religious Channel	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,000,000
KTVT	415	3,588,270
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,500,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	532,000
Prime Cable	9	381,938
Prime Ticket	55	2,300,000
Sportsvision	50	1,507,270
Sunshine Network	112	1,700,000

Pay services

Home Sports Entertainment	196	684,740
Home Team Sports	114	1,000,000
New England Sports Network	160	301,131
Prism	87	427,000
Pro-Am Sports	140	301,000
SportsChannel (Florida)	10	470,000
SportsChannel (New England)	147	942,943
SportsChannel (New York)	94	1,300,000
Z Channel	65	110,010

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.
N/A denotes information not available.

Announced services

Satellite-fed services	Expected launch
American Man's Network	2/89
ATV: Advertising Television	1/89
CD/8: The Digital Music Network	1st Quarter 1989
CNBC	1st Quarter 1989
The Computer Channel	5/89
Digital Cable Radio	1st Quarter 1989
Digital Radio Labs	1st Quarter 1989
Interactive Game Network	3rd Quarter 1989
Kids Information Network	1st Quarter 1989
The Landscape Channel	1st Quarter 1989
Laugh TV	1st Quarter 1989
Mizlou Cable Sports Network	4/89
Spanish TV News Network	11/88
Talk Television	1st Quarter 1989
Wingtips	4th Quarter 1989

Non satellite-fed services	Expected launch
ACTV	4th Quarter 1989
Main Street	2nd Quarter 1989
On Demand/UTV TV Network	4th Quarter 1989

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INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

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ACE
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AT THE EYE OF THE HURRICANE

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INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT NOVEMBER 7, 1988

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HBO snares the lion's share of Network ACE awards in nominations that seem to give a pat on the back to shows with social relevance

It's grow, grow, grow at HBO. 20
Time Inc. executives tell analysts that HBO is poised for its second year of 10 percent growth in subs, that costs are down and margins steady.

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Reverberations of the Jones/USA dispute. .48
Many fear that the battle between Jones and USA will have a lasting effect on relations between operators and programmers, with the dispute felt even in Washington.

Reforming the FCC. 58
The White House's fondness of deregulation is unlikely to change under Bush, but many predict the FCC, under new leadership, will pull in its horns.

An avalanche of junk bonds. 64
With $800 million in cable junk bonds to hit the market soon, some worry that restrictive covenants, leverage tests and high coupons will have a negative impact.

Sharpening domestic relations overseas. 66
The Jones Intercable deal with Pacific Telesis to develop a U.K. cable system heralds a coming era of increased cable/telco cooperation on this side of the Atlantic.

ACE

10 YEARS OF EXCELLENCE

ACE gets a social conscience

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COVER PHOTOGRAPH

Glenn Jones, sticking to his guns amid rising concerns of his feud with USA.

Photo by Ken Paul

PPV special events proliferate

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COMMENTARY

Reforming the FCC

◆ ◆ ◆

Telecommunications policy has become an issue in presidential politics only once in recent memory, when Lyndon Johnson was forced by his wife's radio station ownership to keep a safe distance from the FCC. And while telecommunications issues were not a factor in this presidential election—aside from a momentary glance at the fairness doctrine—the results of the balloting probably will have a substantial impact on the way Washington approaches regulation of the cable and broadcast industries.

It is readily apparent that most everyone inside the Beltway is overly tired of an ideological FCC that has wasted few opportunities in the last eight years to thumb its nose at Congress. Even partisans who agree with the Commission's deregulatory thrusts openly worry that it has lost much of its stature as the expert agency to which all should defer on implementation of telecommunications policy.

The Reagan legacy, then, is an FCC which made monumental strides in the early years only to suffer strife, stalemate and stagnation at the end. That sorry situation—which serves no interest well—should, and probably will, improve under what most see as the moderating influence of a George Bush presidency.

More to the point, Bush must contend with a Congress that is even more firmly in control of the Democrats. The 100th Congress proved itself capable of stiff-arming Dennis Patrick, hobbling the FCC by holding up nominations to the Commission and constricting its budget. The 101th Congress can be expected to focus even more on issues such as the fairness doctrine, cable deregulation, children's TV advertising and cable/telco cross-ownership. Within that climate, presidential vetoes of communications legislation now appear more susceptible to overrides.

The Bush transition team is serving itself well by soliciting advice on this and other matters from Dick Wiley, a chairman of the FCC in happier days and an attorney who has the respect of all industries who must do business with the commission. But to signal that it indeed is serious about improving relations with Congress on communications issues, the Bush team should seek the earliest possible departure of Patrick.

—*Steve Tuttle*
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ABP BPA

ACE gets relevant

ACE
10 YEARS OF EXCELLENCE

Cable programs addressing social and political issues captured a substantial share of Network ACE Award nominations from the National Academy of Cable Programming.

Two of the shows propelling Home Box Office to its now-standard role of ACE network frontrunner—114 nominations, nearly four times the size of second place A&E's collection—fit that mold. *Vietnam War Story*, the acclaimed anthology, received 18 nominations, more than any other individual program in the running, including best drama series. Eight nominations in the movie/miniseries categories went to *Mandela*, with Danny Glover playing jailed anti-apartheid activist Nelson Mandela. Glover and co-star Alfre Woodard were nominated.

On the lighter side, HBO earned four nominations for *Tanner '88*, the Garry Trudeau/Robert Altman collaboration tracking the campaign of a mock Democratic presidential candidate. Apparently ACE judges didn't think the series was that light; it will compete against *Vietnam* and USA's *Ray Bradbury Theater* in the drama series category.

Not all of HBO's issue-oriented work fared as well. *Waldheim*, perhaps the most controversial cable event of 1988, managed only one nomination for best public affairs program, while *Dear America: Letters Home From Vietnam*, coming off a prime time Emmy victory and theatrical release, could only do one better, bringing in nominations for documentary special and editing.

HBO's *Vietnam War Story* series helped put the network on top in the ACE nomination count.

AIDS-themed programs also drew a sizeable ACE share, with HBO pulling five nominations for its *Tidy Endings* drama; Lifetime's *Dying For Love* special up for public affairs honors and *On the Brink—An AIDS Chronicle* recognized on The Discovery Channel's behalf. In what may be one of the most unique individual nominations in ACE history, "Karen," suffering from AIDS-related complex, was recognized for narrating the Lifetime program.

A&E tallied up 32 nominations; *Race For The Double Helix*, dramatizing the emergence of genetic medicine, generated six bids with co-star Jeff Goldblum up for acting honors. Showtime's 23 nominations included six for *It's Garry Shandling's Show*, with Shandling and the show trying one more time to win the prize. Both lost this year's competition to A&E fare, prompting some industry officials to question the eligibility of overseas-produced shows distributed on cable networks. Academy officials later decided against changes in the current qualification standards.

CNN is guaranteed at least one ACE '89 award by earning all four nominees in the news series/special category (two for *International Hour* and one apiece for *Inside Politics '88* and *CNN World Report*). CNN received 20 nominations overall. The Disney Channel finished with 18, followed by USA with 15 and Discovery with 14.

Network ACE will cross the decade

mark Jan. 14-15 with 24 networks and 324 nominations; 19 networks competed this year. In their first year of eligibility, regional services earned five nominations, divided among Prime Ticket and MSG Network. Some other ACE notes:

- ESPN's highly-rated NFL coverage was punted out of the sports coverage category, even though the network corraled 12 nominations.
- The Movie Channel earned its first ACE nomination ever; so did Movietime.

Ten basic channels will carry the primetime Network ACE cablecast live from Los Angeles Jan. 15, sponsored in part by Bristol-Myers.

Editor's Note: Because of space restraints, the complete ACE nominee list will appear in the next issue.

—Simon Applebaum

ACE NOMINATIONS/PROGRAM BREAKDOWN

Program	Nominations
Vietnam War Story (HBO)	18
Mandela (HBO)	8
The Man Who Broke 1,000 Chains (HBO)	8
HBO Comedy Hour Live (HBO)	7
It's Garry Shandling's Show (Showtime)	6
The Race for the Double Helix (A&E)	6
A Friendship in Vienna (Disney)	5
Bravo Profile: The South Bank Show (Bravo)	5
HBO Showcase: Tidy Endings (HBO)	5
Ray Bradbury Theatre (USA)	5
Alfred Hitchcock Presents (USA)	4
Baja Oklahoma (HBO)	4
Blackadder the Third (A&E)	4
Cinemax Sessions (Cinemax)	4
HBO Showcase: The Impossible Spy (HBO)	4
Tanner '88 (HBO)	4

ACE NOMINATIONS/NETWORK BREAKDOWN

Network	Nominations
HBO	114
A&E Cable Network	32
Showtime	23
CNN	20
The Disney Channel	18
USA Network	15
The Discovery Channel	14
Superstation TBS	13
ESPN	12
Bravo	11
Cinemax	10
Lifetime	8
MTV	6
CBN Family Channel	5
The Nashville Network	5
Nickelodeon	4
Prime Ticket	3
Madison Square Garden Network	2
Movietime	2
VH-1	2
C-SPAN	1
FNN	1
The Learning Channel	1
The Movie Channel	1

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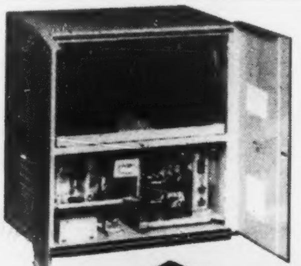

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PROGRAMMING

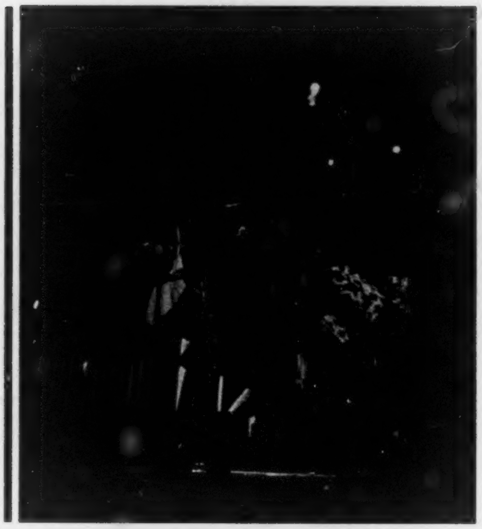
The dollars and sense of PPV special events

◆◆◆◆◆◆◆

By Wayne Friedman

It's not just half-nelsons and upper cuts anymore. Pay-per-view, which has been relying mainly on wrestling and boxing as its source of special events to supplement standard movie offerings for a couple of years now, lately has been broadening its programming horizons to include events outside the ring.

This year, for instance, there was a stock car race and a golf match. And while these events usually do make money for operators, PPV services typically have gone into the red for their efforts. Pay-per-view advocates say such non-traditional events should be part of the mix to grow the business, but there is no consensus as to exactly what that mix should be.



The dips kept coming on *Dirty Dancing: Live In Concert.*

In its short history, PPV has given operators respectable five percent to 10 percent buy rates with wrestling and boxing events, which seem to have wide appeal. But more narrowly skewing events have far lower performance levels. For instance, The Grateful Dead concert, produced and distributed by Viewer's Choice last New Year's Eve, generated only a 0.8 percent buy rate. *The Desert Scramble* golf match offered by Choice Entertainment bogeyed a 0.2 percent buy rate. Still, Scott Kurnit, president of Viewer's Choice, says these experiments are worth it.

"The operators made money. The Dead made money. I lost money," he says philosophically.

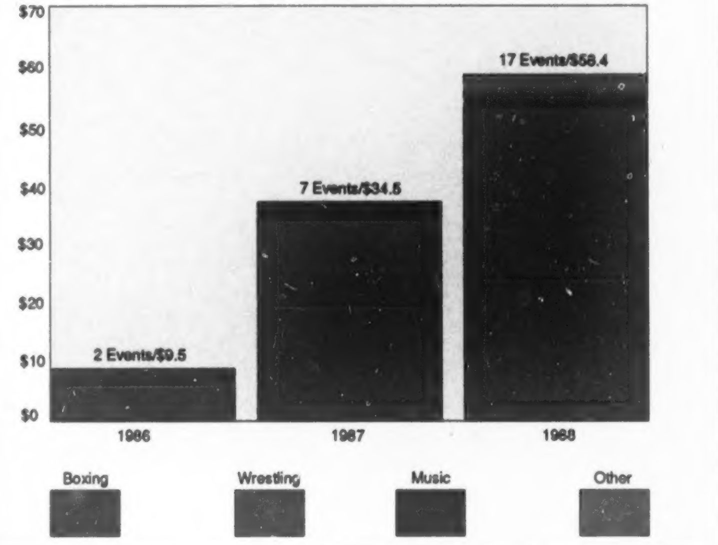
Viewer's Choice will continue down this road, Kurnit says, "because our view is that you have to grow the business." And this is one of the ways to do it, he says, even though, according to one source, VC lost between $100,000 and $300,000 on the Grateful Dead event.

Kurnit will also tell you that Viewer's Choice lost money offering the A.C. Sparkplug 500 stock car race during the summer. "But I look at NASCAR as a franchise," says Kurnit, who sees the day when as many as 10 car races could be offered on PPV each year, including the Indianapolis 500. And there will be more experimentation. "Someone has to break the ice," he says. Next season, Viewer's Choice is planning more ice-breaking. Kurnit says VC is working out a series of informational programs; possibly doing two shows a week for 26 weeks.

The slim buy rates of these non-traditional events aren't a problem for operators. Unless they make a mess of it, they can't really lose money, even with events of the narrowest appeal. Revenues from special events usually are split between the operator and PPV offerer. There aren't any sales guarantees the operator needs to reach, in contrast to the larger boxing and wrestling events.

"The attitude was that [a PPV event] had to be a mega-monster. Now, it doesn't have to be a mega-monster," says Nancy Anderson, senior vice president of Graff Pay Per View. When she was running pay-per-view for the Rogers system in Minneapolis, preemptions of movies for events were commonplace, she says. "We did every event that was available because we never failed to make more money than a movie on a particular showing," she says. The logic, according to one source, is "I would rather have a one percent buy rate on a $20 event than a three percent buy rate on a $5 movie."

What this has meant to the industry is expansion. By the end of the year, PPV will have produced 17 events grossing a retail $58.4 million, up from $34.5 million produced by seven events in 1987. Kurnit of Viewer Choice estimates that 25 events will hit the industry next



GROSS PPV EVENT REVENUE: 1986-1988

By Event Type

year. With this as background, it's no wonder some media companies are setting their sights on non-event pay-per-view programming.

Request Television, for instance, recently completed its first boxing event, along with United Media Entertainment Inc., a division of United Cable Television. The card featured Thomas "Hit Man" Hearns versus James "The Heat" Kinchen for the World Boxing Organization super middleweight title. While Request has participated in other events this year, it was the company's first time as a licensor of an event, says Bruce Karpas, senior vice president of Reiss Media Enterprises, the parent of Request Television.

Titan Entertainment, the folks who bring their highly visible World Wrestling Federation and its Wrestlemania events to the marketplace, are also in the expansion mode. For the first time it has completed a non-wrestling PPV event, the Sugar Ray Leonard-Donny Lalonde fight on Nov. 7. And there's more to come, says James Troy, senior vice president of Titan Entertainment. Next year, Titan will offer a music event and two other entertainment projects. He wouldn't elaborate further, but did say that the shows would be non-traditional to PPV.

Graff Pay Per View offered *Dirty Dancing*, a live concert music special produced by Vestron Television, on Nov. 18. The 90-minute show, according to one source, cost in the $100,000 range. The program, like some of the wrestling events, will have an afterlife as a videocassette. Afterlife for an event is important; it makes PPV that much more viable, according to Anderson. She says the company will be bringing other events to market next year.

Turner Broadcasting is another company strengthening its hold on non-movie pay-per-view events. It recently bought up the assets of Jim Crockett's organization that supplied Turner and the syndication industry with wrestling product under the National Wrestling Alliance banner. The new company, Universal Wrestling Corp., will continue to distribute events to basic cable, syndication and per-per-view.

Warner Brothers also is looking into non-movie event product. For the 20th anniversary of Woodstock, the company is producing a two-hour documentary for broadcast play. There also is a 50-50 chance, says Ed Bleier, president of pay television and network features for Warner, that the company will produce a reunion concert of sorts scheduled for an August pay-per-view date. While it would be a coup for Warner, other entities also are laying claim to the Woodstock name. Warner Brothers produced the original movie and concert albums.

There is some worry among PPV supporters that these moves may be cluttering the marketplace. Rob Stengel, vice president of programming for Continental Cablevision, says "I have some concern that as a business we are getting off the mark; that (such events are) available to other media." For instance, there already are many golf, wrestling, and car racing events on broadcast television. That makes such events no longer "special," the industry's main criteria for judging whether to run a program.

Request's Karpas says operators should be more selective in offering special events. Taking any event, just to maximize month-to-month profits, is just "short term" thinking, he says. Longer term it's dangerous to take too many events, he says, because there could be quality problems. That's why Request turned down controversial deejay Howard Stern's regional pay-per-view event.

> 'I have some concern that as a business we are getting off the mark.'
>
> *—Rob Stengel, Continental Cablevision's programming vice president*

Request distributed *The Desert Scramble* because, says Karpas, it was indeed special. It had four championship golfers wired with microphones throughout the match, with clips of golf instructional video interspersed in the links action. It turned down distribution on The Grateful Dead concert, however. First, because of operator complaints about staffing CSRs on New Year's Eve; and, second, because the price (guarantee) was too high.

Although the buy rates may be slim, these events do bring in high satisfaction scores, as high as with boxing and wrestling. The A.C. Sparkplug 500 race, for instance, scored a 9.1 on a 10-point viewer satisfaction scale. Wrestlemania IV did a 8.4; Tyson-Spinks pulled in a 5.7; the Tate-Nunn fight scored a 7.8, and the Grateful Dead posted a 7.5. Tom Neville, vice president of research for Viewer's Choice, thinks the low buy rates and the high satisfaction score mean "the segement you reach is a really crazed (audience)." That translates into loyal viewers who will come back for more.

That's the bottom line, says Joanne Abbey, director of pay-per-view at American Television and Communications. "We want to build an audience that comes back." Wrestling has established itself along those lines, she explains. To sustain that level of performance, events in the future should be fed more consistantly, perhaps on a monthly basis.

She worries that similar events running around the same time could cause erosion down the road. With the Hearns and Leonard bouts three days apart, she worries that PPV viewers receiving a $70 cable bill might decline future PPV programs. Worse still, viewers may drop one of their pay services.

Nimrod Kovacs, formerly vice president of programming and marketing at United Cable who now heads United Artists Global Programming Group, says that while it usually is true that any special event will beat one showing of a particular movie, he won't be running any car races, golf matches or rock concerts any time soon.

Although he has made money or broke even on such events, their small audiences didn't justify the marketing efforts involved. He says it will make sense only when PPV is available in more households.

The majority of the PPV business still resides in movie product. As the business grows, some in the industry, like Michael Dragotto, executive director of pay television for Paramount Pictures, wonders "are you creating non-events?" He adds that the industry, because of its newness, is fragile right now and one doesn't want to crack any shells. "You don't want to kill the goose that laid the golden egg." ■

◆

Country Music TV

Buck Owens and the New Grass Revival guest on Country Music TV's *Heart To Heart* program Nov. 25. Owens will premiere his first solo music video on the episode, hosted by Stan Hitchcock.

Superstation TBS

Larry King will guide Superstation TBS viewers through a *Night Of Soviet TV* Nov. 30. Three prime time hours will feature a variety of Russian attractions from documentaries to sports. Ira Miskin serves as TBS executive producer; John Savage directs and co-produces with Kathleen Dowdey.

MTV

It's a talk show, MTV style. That's the easiest way to describe *Mouth To Mouth*, which became one of the channel's evening staples Oct. 31. Now for the long explaination: assemble guests with host/standup comedian Steve Skrovan and sidekick Colter Rule, place them before a live audience who share something in common, be it political ideals, crafts or bowling, and stir in some viewer phone calls. Example: the opening show had Cher and Kenny Loggins with a crowd of Greenwich Village witches. ■

What's on the Pays/December

Cinemax

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Appointment With Fear	R	Galaxy
End Of The Line	PG	Orion
Hightide	PG-13	Hemdale
L'Annee Des Meduses	NR	European Classics
Lord Jim	NR	Columbia
Minnie The Moocher & Many, Many More	NR	First Run
The Offspring	R	The Movie Store
The Sniper	NR	Columbia
Terminal Entry	R	Taurus
The Underachievers	R	Vestron
Walker	R	Universal

Original Programming/Specials

Comedy Experiment: Late For Dinner
The Mad Movie Show
Max Headroom's Giant Christmas Turkey

Highlights

Full Metal Jacket	R	Warner Bros.
Ironweed	R	Taft/Barish
Vintage Performances: The Doors		
The Witches Of Eastwick	R	Warner Bros.

The Witches of Eastwick

The Disney Channel

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Asterix & Cleopatra	NR	Gaumont
Bush Christmas	NR	Castle Hill
Except For Me and Thee	NR	Lorimar
Flower Drum Song	NR	Sam Goldwyn
Follow The Fleet	NR	MGM/UA
For Heaven's Sake	NR	Viacom
The Girl Who Spelled Freedom	NR	Buena Vista
Hoosiers	PG	HBO
The Magic Snowman	NR	Miramax
My Dog The Thief	NR	Disney
My Side Of The Mountain	G	Paramount
Sancho, The Homing Steer	NR	Disney
Solo	PG	Dayton/Stewart

Original Programming/Specials

The Art Of Disney Animation
Frontier
The Making Of Slash Mountain

Highlights

Another Evening With Fred Astaire
Goodbye, Miss 4th of July
Good Morning, Miss Bliss
The Manhattan Transfer: Going Home

Goodbye, Miss 4th of July

HBO

New Movies

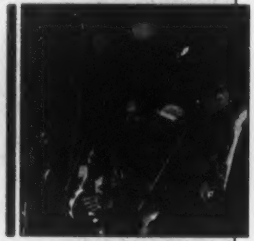
TITLE	MPAA RATING	DISTRIBUTOR
Apprentice To Murder	PG-13	New World
Crazy Moon	PG-13	Miramax
Cross My Heart	R	Universal
Jane & The Lost City	PG	New World
Made In Heaven	PG	Lorimar
Overboard	PG	MGM/UA
Rent-A-Cop	R	Kings Road
Revenge Of The Nerds II: Nerds in Paradise	PG-13	20th Century-Fox
The River Rat	PG	Paramount
Sister Sister	R	New World
The Wild Pair	R	Trans World

Original Programming/Specials

America Undercover: Transplant
Encyclopedia-new episodes
HBO Family Playhouse: Little Miss Perfect
Golden Age Of Sport
Les Miserables
Neil Diamond's Greatest Hits-Live
On Location: Andrew "Dice" Clay
Pen Pals
World Championship Boxing Special
You Don't Have To Die

Highlights

HBO Showcase: The Christmas Wife		
Cry Freedom	PG	Universal
Dead Solid Perfect		
HBO World Stage: The Human Rights Now Tour		
The Witches of Eastwick	R	Warner Bros.



World Stage: The Human Rights Now Tour

The Movie Channel

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
A Prayer For The Dying	R	Sam Goldwyn
The Believers	R	Orion
Class of '44	PG	Warner Bros.
Cross My Heart	R	Universal
Hamburger Hill	R	Tri-Star
My Demon Lover	PG	Universal
Nomads	R	Atlantic
Red Sonja	PG-13	MGM/UA
Remote Control	R	Carolco
Tough Guys Don't Dance	R	Cannon
Walker	R	Universal
Wild Thing	PG-13	Atlantic

Highlights

Cry Freedom	PG	Universal
Fatal Attraction	R	Paramount

Hello Again	PG	Touchstone
Robocop	R	Orion

Original Programming/Specials

Firstworks: Ron Howard

Fatal Attraction

Showtime

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Back To The Beach	PG	Paramount
The Believers	R	Orion
Blue Velvet	R	DEG
Cross My Heart	PG	Universal
Detective School Dropouts	PG	Cannon
Hello Again	PG	Touchstone
House of the Long Shadows	PG	Viacom
Lady Beware	R	Video Media
The Name of the Rose	R	20th Century-Fox
Nobody's Fool	PG-13	Lorimar
Nutcracker	G	Atlantic
September	PG	Orion

Original Programming/Specials

Brothers Christmas Special
Brothers-new episodes
Comedy Club All-Stars II
Comedy Spotlight: Louie Anderson at the Guthrie
Just For Laughs II
It's Garry Shandling's Show-new episodes
Showtime Championship Boxing
Super Dave-new episodes

Highlights

Cry Freedom	PG	Universal
Fatal Attraction	R	Paramount
Mona Lisa	R	Island
Star Trek IV: The Voyage Home	PG	Paramount

Star Trek IV: The Voyage Home

Wrestling's headlock on basic cable

With the NFL, *Miami Vice* and major title movies coming to basic cable, one would surmise that such high-quality programming would push off more marginal, less appealing programs. One would think that wrestling would be one program category thrown out of the ring.

Not quite. In fact, one might do a double take upon looking at USA Network's Wednesday night lineup. The evening begins with *Miami Vice* at 7 p.m., then *Murder, She Wrote* at 8 and *Prime Time Wrestling* at 9 o'clock. Not your ideal lead-out for two pricey off-network shows, you say?

Perhaps not, but according to Neil Hoffman, vice president of programming for the network, wrestling's high 2s and 3 ratings make it programming that will not soon be dropped. Even when USA's 24 world premiere movies debut next year, he says, wrestling will have a secure spot in the network's most lucrative daypart. "Right now, it's a staple of prime time," he says.

USA's strategy is that wrestling, along with boxing on Thursdays, is counterprogramming. As far as the traditional lead-in, lead-out programming strategy goes, that doesn't really wash because at 9 p.m., says Hoffman, viewers frequently switch channels.

In spite of this, USA's prime time programming seems to have some uniformity in retaining its lead-ins during the evenings. Hoffman says *Vice* is currently averaging mid-2 ratings, with *Murder* scoring high 2s and some 3s. Wrestling holds its *Murder* lead-in, posting 2 and 3 ratings.

ESPN has a different philosophy. There, wrestling no longer is a prime time vehicle. Since about a year ago, it has stripped wrestling programs in the 4-5 p.m. time slot. From January through September the network ran its older library of *World Class Wrestling* programs, while its newer *AWA Wrestling* aired at 11:30 p.m. Saturday night. Starting in September it began stripping AWA programs in the Monday-Friday early fringe spot and rested the *World Class* shows. Loren Matthews, vice president of programming for ESPN, says the show makes terrific strip material because "there's always a story line."

Wrestling represents part of an afternoon children's block of programming that ESPN is trying to build, says Matthews. Following wrestling, for instance, ESPN at 5 P.M. airs a variety of programs that skew toward younger audiences.

The economics are there at ESPN for daytime wrestling. "It's our highest rated daytime program," says Matthews. Where wrestling in prime time received an average 2 rating, now in early fringe it earns between a 1 and 2 number. Because of low rights fees, Matthews says, it's financially viable for daytime.

While ESPN is maintaining the status quo in its wrestling coverage, TBS is gearing up for more headlocks, says Robert Levi, executive vice president of programming for TBS.

Confidence is so high that TBS on Jan. 7 will move its *World Championship Wrestling* show up an hour on Saturday night into the more valuable 7-9 p.m. time slot. In September it also moved its Sunday telecast, *The Main Event*, up a half-hour to 6 p.m. from 5:30 p.m. TBS also airs a Saturday morning show, *Championship Wrestling*, from 11 o'clock until noon.

"It creates an audience spike you can count on," says Levi. And advertising sales have been brisk, he says, especially at this time of year. TBS has sold out on average 85-90 percent of its inventory for its three shows. ■

Top Ten Basic Cable Sports Programs
Oct. 31 - Nov. 6

	Date	Net	Program	Rating	Homes
1.	11/6	ESPN	NFL: Raiders-Chargers	8.0	3,976,000
2.	11/5	ESPN	College Football Scoreboard	4.9	2,440,000
3.	11/5	ESPN	CFA: Oklahoma-Oklahoma State	3.5	1,740,000
4.	11/6	ESPN	NFL Primetime (7-8 PM)	3.4	1,690,000
5.	11/5	ESPN	CFA: Florida State-South Carolina	3.3	1,640,000
6.	11/6	ESPN	SportsCenter (11-12 Midnight)	2.6	1,290,000
7.	11/1	ESPN	Top Rank Boxing: Ramos-Blecher	2.6	1,290,000
8.	11/4	TBS	NBA: Lakers-Mavericks	2.6	1,232,000
9.	11/6	ESPN	NASCAR: Checker 500	2.3	1,140,000
10.	11/3	USA	Thur. Night Boxing: Lockman-Van Horne	2.3	1,078,000

CABLE STATS

Satellite Lineup

Satcom III-R (GE Americom)	**Transponder**
BET	20
Cable Radio Network	4
Cinemax (West)	23
ESPN (Blackout)	7
The Fashion Channel	1
Financial News Network	11
Genesis Storytime	3
HBO (East)	13
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
Network 1 USOA	23
QVC Network	8
Request TV	4,19
Shop Television Network	5
Tempo Sound	6
Tempo Television	6
The Travel Channel	16
Trinity Broadcasting Network	3
Turner Network Television	18
TV Decisions	24
USA Network (West)	10

Satcom IV (GE Americom)	**Transponder**
Alternate View Network	10
Biznet	6
Family Guide Network	24
Family Net	7
The Fashion Channel	14
Hit Video USA	18
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Liberty Broadcasting Network	7
Madison Square Garden Network	6
Movietime	17
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Playboy On Demand	24
Prime Ticket	20
The Silent Network	23
SportsChannel America	2,10
SportsChannel-New England	23
SportsVision	9
Vision Intefaith Satellite Network	3
WPIX—New York	19

Satcom II-R (GE Americom)	**Transponder**
WABC	4
WCBS	2
WNBC	12

Satcom I-R (GE Americom)	**Transponder**
Digital Cable Radio	15
Home Sports Entertainment	10
KKGO	16
KTLA	16
KTVT (Dallas/Ft. Worth)	3
Prime Ticket Network	7
Sunshine Network	11

Westar III (Western Union)	**Transponder**
CNN	5

Westar IV (Western Union)	**Transponder**
Cable News Network (CNN)	16
International Television Network	10D

Westar V (Western Union)	**Transponder**
Moody Broadcasting Network	7D
Pro-Am Sports System (PASS)	8
Zephyr Weather Information Service	7D

Telstar 303 (AT&T)	**Transponder**
American Exxxtasy	19

Galaxy I (Hughes)	**Transponder**
Arts & Entertainment Network	12
CBN Cable Network	11
Cinemax (East)	19
CNN	7
Country Music Television	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
Electra	18
ESPN	9
GalaVision	20
HBO (West)	1
Headline News	8
The Inspirational Network	17
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
Prevue Guide	3
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
Showtime (West)	16
Superstation TBS	18
Univision	6
USA Network (East, Central)	21
WGN	3
WWOR	15

Galaxy III	**Transponder**
ACTS Satellite Service	7
Cable Value Network	9
Cable Video Store	5
C-SPAN	24V
C-SPAN II	14V
Eternal Word Television Network	10
Galactic Radio	11
Home Premiere Television	16
Lifetime	20
The Meadows Racing Network	17
Mind Extension University	11
MTV	17
Nick At Nite	19
Nickelodeon	19
NuStar	12
Video Hits One (VH1)	15
Viewer's Choice 1 + 2	21,18
The Weather Channel	13

Spacenet I (GTE)	**Transponder**
RFD TV	23
SelecTV	2

Spacenet II (GTE)	**Transponder**
SelecTV	5
Channel America	3
Zap! Movies 1,2,3	2,1,12
Zap! Previews	6

Spacenet III (GTE)	**Transponder**
KTVT	3
WPIX	5

Note: A company name in parentheses following a service or network designates the transponder owner. Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,182,790	(8/88)
2.	American Television & Communications Corp.	3,780,000	(5/88)
3.	Continental Cablevision.	2,228,000	(4/88)
4.	Storer Cable Communications.	1,488,534	(5/88)
5.	Warner Cable Communications.	1,471,766	(9/88)
6.	Cox Cable Communications.	1,441,849	(5/88)
7.	Comcast	1,383,724	(3/88)
8.	UA Cablesystems.	1,339,729	(10/88)
9.	United Cable.	1,210,426	(5/88)
10.	Viacom Cable.	1,097,000	(6/88)
11.	Newhouse Broadcasting.	1,078,336	(6/88)
12.	Cablevision Systems Corp.	1,073,822	(9/88)
13.	Heritage Communications.	1,057,541	(5/88)
14.	Jones Intercable.	1,045,237	(11/88)
15.	Times Mirror Cable TV.	933,541	(4/88)
16.	Sammons Communications.	841,687	(5/88)
17.	Century Communications.	715,000	(8/88)
18.	Paragon Communications.	677,400	(4/88)
19.	Adelphia Communications.	672,836	(11/88)
20.	Cooke Cablevision.	625,000	(8/88)
21.	Falcon Cable TV.	611,490	(9/88)
22.	Cablevision Industries.	600,870	(11/88)
23.	Centel Cable.	553,123	(11/88)
24.	Telecable Corp.	545,361	(8/88)
25.	Rogers Cablesystems Inc.	529,708	(12/87)
26.	~~Scripps-Howard.~~	475,000	(8/88)
27.	Wometco Cable TV.	429,662	(5/88)
28.	Prime Cable.	422,442	(5/88)
29.	Tele-Media.	410,240	(11/88)
30.	Post-Newsweek Cable.	391,000	(8/88)
31.	Multivision Cable TV.	381,627	(4/88)
32.	WestMarc Communications.	349,421	(11/88)
33.	TCA Group.	337,999	(1/88)
34.	Lenfest Group.	327,378	(4/88)
35.	Maclean Hunter Cable TV.	322,225	(4/88)
36.	Multimedia Cablevision.	313,167	(4/88)
37.	Rifkin & Associates.	300,200	(5/88)
38.	Colony Communications.	262,457	(6/88)
39.	Western Communications.	259,396	(6/88)
40.	TKR Cable.	251,056	(7/88)
41.	Star Cablevision Group.	245,950	(6/88)
42.	Simmons Communications.	237,000	(11/88)
43.	Cencom Cable.	229,170	(10/88)
44.	Communications Service Inc.	225,000	(4/88)
45.	Service Electric Cable TV Inc.	220,000	(8/88)
46.	Taft Cablepartners.	207,880	(6/88)
47.	Hauser Communications.	199,141	(4/88)
48.	Greater Media.	170,558	(6/88)
49.	Harron Communications.	164,389	(5/88)
50.	Media General.	164,200	(6/88)
51.	Columbia International.	161,243	(4/88)
52.	Sutton Capital Group.	158,463	(8/88)
53.	U.S. Cable Corp.	146,242	(6/88)
54.	Armstrong Utilities.	146,203	(5/88)
55.	McDonald Group.	142,548	(4/87)
56.	Palmer Communications.	142,084	(11/88)
57.	Triax Communications.	141,000	(6/88)
58.	Insight Communications.	140,000	(8/88)
59.	Cable Systems USA.	131,440	(10/88)
60.	Summit Communications.	130,108	(6/88)
61.	Sonic Communications.	116,656	(6/88)
62.	King Videocable.	116,086	(5/88)
63.	Bresnan Communications.	115,227	(8/88)
64.	Northland Communications.	131,163	(11/88)
65.	Booth Communications.	111,000	(8/88)
66.	Susquehanna Broadcasting.	[illegible]	(6/88)
67.	Midcontinent Cable Systems Co.	102,672	(8/88)
68.	United Video Management.	97,000	(8/88)
69.	Omega Communications.	90,500	(3/88)
70.	Coaxial Communications.	90,363	(8/88)
71.	WEHCO Video.	90,038	(8/88)
72.	Pencor Services.	87,077	(8/88)
73.	Selkirk Communications.	74,428	(8/88)
74.	Rock Associates.	67,802	(5/88)
75.	Chambers Communications Corp.	63,000	(8/88)
76.	Cardinal Communications.	58,000	(8/88)
77.	Gilbert Media.	58,000	(8/88)
78.	Douglas Communications.	58,000	(11/88)
79.	Hearst Communications Of California.	56,003	(8/88)
80.	C-TEC Cable Systems.	53,836	(10/88)
81.	State Cable TV.	52,939	(3/88)
82.	Joseph Gans Cable TV.	52,000	(4/88)
83.	Helicon Corp.	50,000	(3/88)
84.	Telesat Cablevision Inc.	50,000	(10/88)
85.	New England Cablevision.	49,586	(6/88)
86.	Bachow & Elkin Communications.	49,142	(6/88)
87.	Galaxy Cablevision.	48,500	(4/88)
88.	Prestige Cable TV Inc.	48,434	(5/88)
89.	Donrey Media Group.	45,869	(5/88)
90.	CableAmerica.	42,337	(5/88)
91.	Leonard Communications.	42,178	(5/88)
92.	Eastern Connecticut Cable TV.	41,444	(9/88)
93.	CableSouth Inc.	41,390	(5/88)
94.	Fanch Communications.	41,000	(11/88)
95.	James Cable Partners.	38,857	(9/88)
96.	Star Cable Associates.	36,633	(10/88)
97.	Acton Corp.	38,500	(12/87)
98.	ParCable.	35,210	(9/88)
99.	Countryside Cable.	35,000	(2/88)
100.	Mickelson Media.	30,611	(7/88)

Subscriber counts are provided by MSOs and systems to CableVision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 432 Park Avenue So., Ste. 1010, New York, NY 10016.*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	305,985	(7/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	245,000	(3/88)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
6.	Puget Sound, WA	Viacom	203,000	(6/88)
7.	Phoenix, AZ	Times Mirror	200,000	(10/88)
8.	Honolulu, HI	ATC	194,000	(3/88)
9.	Houston, TX	Warner	189,104	(6/88)
10.	Hartford/Plainville/Vernon, CT	United	172,289	(5/88)
11.	Chicago (suburbs)	Continental	168,000	(4/88)
12.	Wayne, NJ	UA Cablesystems	166,241	(6/88)
13.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
14.	Rochester, NY	ATC	163,000	(10/88)
15.	Englewood, CO	United	161,002	(5/88)
16.	Cincinnati, OH	Warner	158,929	(5/88)
17.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
18.	Fairfax, VA	Media General	157,000	(11/88)
19.	Atlanta, GA	Prime Cable	153,557	(3/88)
20.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
21.	Tulsa, OK	United	152,287	(5/88)
22.	Connecticut Complex	Cablevision Co.	147,847	(7/88)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Orlando, FL	ATC	143,500	(6/87)
25.	San Jose/Campbell, CA	Heritage	137,962	(8/88)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Baltimore County, MD	Comcast	136,096	(6/88)
28.	Manhattan, NY	Paragon	136,000	(4/88)
29.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
30.	St. Louis Co., MO	Cencom Cable	128,602	(10/88)
31.	Charlotte, NC	ATC	128,000	(3/88)
32.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
33.	San Francisco, CA	Viacom	123,000	(6/88)
34.	Pompano, FL	Continental	123,000	(4/88)
35.	San Diego, CA	ATC	121,000	(3/88)
36.	Long Island, NY	Viacom	120,700	(3/88)
37.	Martin/Stuart Co., FL	Centel	119,834	(10/88)
38.	Austin, TX	ATC	119,000	(3/88)
39.	Seattle, WA	TCI	112,500	(12/87)
40.	Warren, NJ	TKR	112,116	(7/88)
41.	Toledo, OH	Blade Communications	108,861	(5/88)
42.	Dallas, TX	Heritage	107,680	(5/88)
43.	Southeast Michigan	Comcast	104,803	(6/88)
44.	San Juan, PR	Multivision Cable	104,757	(12/86)
45.	Grand Rapids, MI	UA Cablesystems	103,661	(6/88)
46.	Wilmington, DE	Heritage	103,255	(5/88)
47.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
48.	Pinellas County, FL	Vision Cable	100,614	(6/88)
49.	Tacoma, WA	Viacom	99,000	(6/88)
50.	Raleigh/Durham, N.C.	ATC	98,000	(3/88)
51.	Indianapolis, IN	Comcast	97,790	(6/88)
52.	Chicago Suburbs, IL	Centel	97,186	(11/88)
53.	Escondido, CA	Times Mirror	96,519	(4/88)
54.	Richmond, VA	Continental	94,606	(10/88)
55.	Dade/Broward, FL	Storer	94,577	(5/88)
56.	Boston, MA	Cablevision Co.	92,181	(8/88)
57.	Pittsburgh, PA	TCI	91,000	(12/87)
58.	Nashville, TN	Viacom	90,000	(6/88)
59.	Tampa, FL	Paragon	90,000	(10/88)
60.	Chicago, IL	Group W	89,500	(7/88)
61.	Worcester Complex, MA	Greater Media	89,497	(6/88)
62.	Jackson MS/Monroe LA	ATC	89,000	(3/88)
63.	Milwaukee, WI	Warner	88,126	(5/88)
64.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
65.	Las Vegas, NV	Prime Cable	86,852	(5/88)
66.	Orange County, CA	Times Mirror	86,607	(4/88)
67.	Greensboro, NC	ATC	86,000	(3/88)
68.	Brooklyn, NY	Warner	83,086	(9/88)
69.	Dover/Morristown, NJ	Sammons	82,871	(5/88)
70.	Portland, OR	Rogers	82,587	(6/88)
71.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
72.	Naples, FL	Palmer	81,516	(10/88)
73.	South Bend, IN	Heritage	80,776	(5/88)
74.	Oakland County, MI	United	80,564	(5/88)
75.	New Orleans, LA	Cox Cable	80,348	(3/88)
76.	Independence, MO	Jones	79,897	(11/88)
77.	Baton Rouge, LA	Daniels & Assocs.	79,586	(4/88)
78.	Albuquerque, NM	Jones Intercable	79,199	(10/88)
79	Akron, OH	Warner	79,070	(5/88)
80.	Hillsborough, FL	Paragon	79,000	(4/88)
31.	Columbus, OH	Warner	78,454	(5/88)
82.	Indianapolis, IN	ATC	78,000	(3/88)
83.	St. Petersburg, FL	Paragon	78,000	(4/88)
84.	Medford Complex Boston Suburbs, MA	Warner	77,167	(5/88)
85.	South Texas, TX	Heritage	77,160	(5/88)
86.	Fresno, CA	Continental	76,326	(9/88)
87.	Cleveland Heights, OH	Viacom	76,000	(6/88)
88.	Allentown, PA	Service Electric	75,000	(9/87)
89.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
90.	Fayetteville, NC	ATC	74,000	(3/88)
91.	Flint, MI	Comcast	72,923	(6/88)
92.	Little Rock, AR	Storer	72,681	(5/88)
93.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
94.	Omaha, NE	Cox Cable	73,361	(3/88)
95.	Ocean County, NJ	Adelphia	72,355	(3/88)
96.	Pleasant Hill, CA	WestMarc Communications	71,972	(11/88)
97.	Lincoln, RI	Heritage	71,625	(5/88)
98.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
99.	Des Moines, IA	Heritage	70,148	(5/88)
100.	Santa Monica, CA	Century	69,900	(12/86)

.89

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

DECEMBER 5, 1988

CU727-2
12/15/88

UPHEAVAL ON THE FRONTIER OF VIDEO

Cable

INFORMATION AND ANALYSIS FOR CABLE TELEVI

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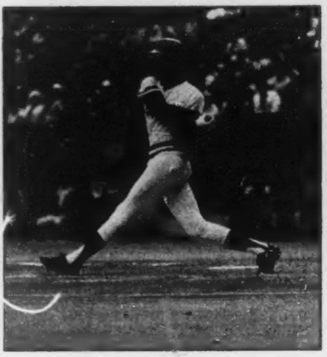

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A man for TNT's new season

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Top 10 MSOs

	1st 9 mos Earnings '88 (000's)	1st 9 mos Year Ago (000's)	% Change	9 mos. EPS '88	9 mos. EPS '87
TCI	34.6	33.1	+4%	.19	.20
ATC	47.9	36.4	+31.5%	.44	.33
Warner Comm.	322	236.1	+36%	2.02	1.50
Comcast	(18.0)	(8.8)	+100%	(.38)	(.16)
UA	16.7	4.26	+292%	.51	.10
United*	(15.3)	(3.2)	+378%	(.30)	(.09)
Viacom	(167.7)	(171.7)	-6%	(3.05)	(3.22)
Cablevision Systems	(120.0)	(33.4)	+259%	(5.40)	(1.50)
Jones Int.*	20.25	5.9	+300%	2.34	.46
Times Mirror	236.1	211.6	+11%	1.92	1.64

*Full FY ending May 31

Is it time for MSOs to focus on profits?

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Vision

MANAGEMENT DECEMBER 5, 1988

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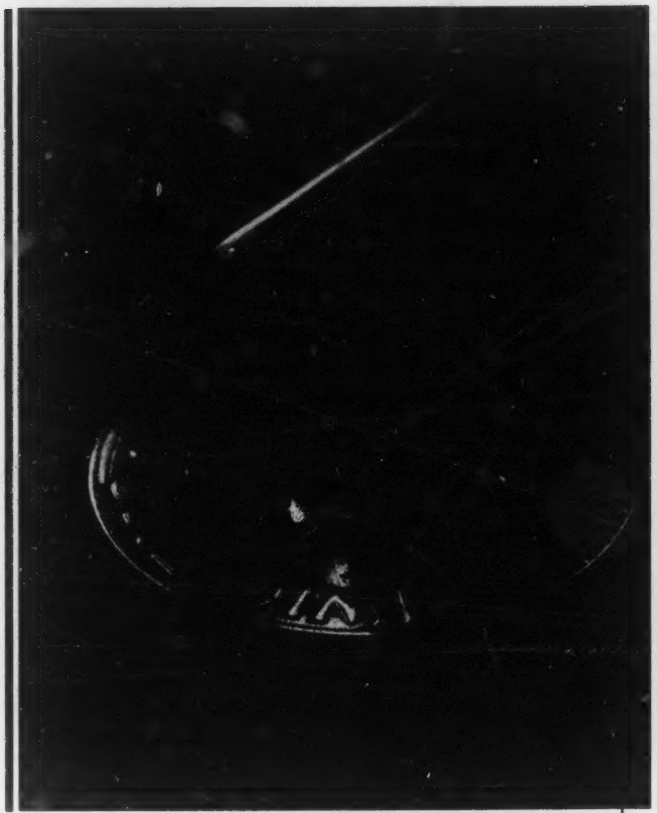

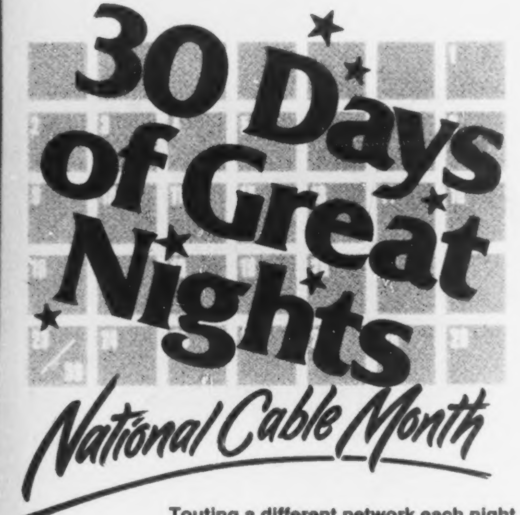

Touting a different network each night

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ABP BPA

COMMENTARY

The long and winding road

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It required a few weeks of research and interviews to compile and edit the cover story in this issue on the cable industry's confident vision of its video future. But in reality the piece by Fred Dawson, beginning on page 90, is the culmination of a year's exploration by this magazine into the dynamics of advancing technology, shifting public policy and the role that cable will play in the uncertain arena of television in the 1990s.

Over the past year we have traveled, literally, from coast to coast visiting laboratories and test beds; we have interviewed scientists and MSO accountants, puzzled over pro formas and spec sheets. It has been a voyage of technological discovery for us and we hope for you as well.

From the outset we determined that it would be in everyone's interest if we went that extra mile beyond normal reporting of developments to include texture and nuance that would lend perspective and depth to the information. That is why, for example, in some of our early stories on fiber optics we spent so many column inches in tutorials on lasers, nodes, amplifier cascades and the relative merits of AM fiber as compared to FM.

That also is why we broadened our inquiry beyond the cable industry's internal discussions of technology to examine its competitors. When seemingly everyone was wringing their hands over the telco threat, we went directly to the source with a ground-breaking interview with PacTel's Lee Cox and followed that with several stories on the potential—and limits—of integrated switched digital networks being tested by several Regional Bell Operating Companies.

As we pursued this story over the year we know that at times it became less than sexy—not the stuff that sells a lot of newspapers. And we admittedly have reported as much on Bell Labs as we have on Cable Labs. We did this because we believed that you did not need a sycophant but rather a sobering source of straight information on which you could build a business plan for the decade ahead.

In our cover story, we report that cable now is sufficiently armed to seize the initiative in fiber optics and HDTV through some impressive advancements in system technology and architecture. We have enjoyed this journey and look forward to traveling further down that road with you.

—*Steve Tuttle,*
Editor

CableVision

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Patrick Keleher
President/Chief Executive Officer

December 5, 1988
Volume 12, Number 11

Pay's top guns, on movies and margins

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Exclusivity is still the buzzword at Showtime Networks. Some two years after it announced it would pursue higher-priced movies to differentiate its product from rival HBO, the movie and entertainment service says it's making big gains in new subscribers.

Showtime now boasts some 6,120,000 subscribers, up by some 470,000 from the year before. The Movie Channel, however, lost ground during that period, down 70,000 subscribers to 2,630,000. TMC recently was remolded, and executives say losses already are drying up.

To HBO, film exclusivity amounts to fighting words. Seth Abraham, HBO senior vice president of program operations and sports, says that when one is hit, one must hit back. While HBO initially pursued exclusivity reluctantly—for the most part studios gave HBO no choice—it recently has taken the offensive. At a Time Inc. security analysts meeting, HBO said that by 1990 it would have more exclusive movies than Showtime.

HBO also has seen substantial growth in the last year, with it and Cinemax each growing by more than one million subs. But executives don't pin the reason on exclusive movies. It's more a marketing push.

For both HBO and Showtime, these gains have come at a price. Exclusive movies, increased marketing budgets and discounting at the retail level are depressing margins.

And each organization has new resolve to step up their contributions to the orginal programming pipeline.

HBO's Abraham and Fred Schneier, executive vice president of programming for Show-time Networks, discuss these and other pay issues with Senior Editor Wayne Friedman:

1990 MOVIE TITLE VOLUME

NEW MOVIES-MAJOR SUPPLIERS

	HBO	MAX	SHT	[illegible]
Exclusive	120	120	60	[illegible]
Non exclusive	15	15	15	15
Subtotal	135	135	75	75
Other	305	705	225	[illegible]
Total	440	[illegible]	300	[illegible]

Source: Time Inc.

Lessons from customers on exclusivity

Schneier: What they're telling us is we are not a subset of HBO. This comes from a different kind of research which is done on a longer-term basis and it's psychographic. What we, as a second guy in the business, and the generic holder of the turf, have had to face is getting a personality and a profile of our own. And we've done that in the framework of what we called attribution research; you know, "Did you see this? Did you like it? Where did you see it?" In the early days, when we had on a duplicated basis an *Out of Africa*, a lot of people said that they saw it on HBO. We were finding that that crept over even into original programming, where we had something on which was being attributed somewhere else. That needle has moved considerably. It has moved certainly in terms of exclusive movies, but along with it

Continued on page 72

What exclusivity has meant to the pays

Abraham: We did not start the exclusivity wars, nor was that ever a part of our strategy. But when somebody punches, you counterpunch. Did it take money away from HBO in other areas? Clearly it did. We've made no secret about that. When we go into these big motion picture deals on exclusivity, we're paying a premium that the studios would otherwise be realizing if they sold nonexclusively. From Showtime's standpoint, you can always protect your stuff (with exclusivity), and frankly that reason, I think, is bankrupt because there is no movie exclusivity. With the VCR, anybody who wants to see a movie can see a movie. People don't say they saw *Fatal Attraction* on Showtime. They say they saw *Fatal Attraction*. They don't say they saw it on cassette, they say "I saw it." It's like pretending Japan doesn't exist.

Continued on next page

Exclusivity's effect on original programming

Abraham: The money we plowed into exclusive movie product had to come out of somewhere. It came out everywhere. We would have spent more in marketing; we would have spent more in advertising; we would have spent more in promotion; we would have spent more in boxing. I'll give you an example, and it's one I'll use over and over again. We passed on Touchstone, two years ago. If we had (made a deal) we wouldn't have been able to bid on the NFL. Now we didn't get the NFL, but the fact is, if we had made that deal with Touchstone at the dollars that were being discussed, we wouldn't have even been able to bid on the National Football League. And we believed that that was a better commitment for us to go after.

On Showtime's forcing the dual-pay environment

Abraham: We know a lot of people who are multi-pay subscribers are happy because the percentage is not changing significantly, where people are dropping one pay service. But the strategy of using exclusive movies to force dual pay isn't compelling enough to drive the business. We look at the ratings every night. We're on the Nielsen meter and we see the ratings on movies. Movies don't perform the way they once performed. The same is true with ABC. Look at *War and Remembrance*—the numbers are down significantly from *Winds of War*. It's not because it's not as good. The difference is that, again, today more people have VCRs, more people have cable, so there are more choices out there.

Seth Abraham. HBO's senior vice president, program operations/sports

On the future of pay

Abraham: If a person has a VCR, they could get any movie they want. What's going to drive this business in the future is the lineup of original programming that is not readily available at a video store. That's video-proof programming; that's Mike Tyson, that's Barbra Streisand, that's mini-series, that's concerts. That's what's going to drive the business in the future. We think the business is going to be not in the fields of the movies where, again, Americans have access in a lot of different forms. We're saying we need the movies—we've never said we don't—but in terms of where we would opt to put the money, it would not be in exclusive movie programming. But if you wave the red flag in front of the bull long enough, the bull is going to charge.

On mixing original programming and movies

Abraham: Roughly 35 percent of every monthly schedule… is nontheatrical for us. I don't see a day when the movie volume would slip below 50 percent at HBO. Movies will always be, at least for the real foreseeable future, the connective tissue of the service. That's why a lot of people want pay television because they want the choice of movies. The fact is, though, that you can have that movie product as connective tissue—and you need the big movies—but what really galvanizes people, what gets people talking, what gets big viewing numbers, are a lot of the original programs. You might compare us to Showtime, but the average viewer has something very simple in mind: "Is there anything good on TV tonight?" Period. And it's our job to make sure that what's good on TV is on HBO. The average pay home rents between eight and 10 titles a month. HBO is putting 120 or 130 different programs on HBO every month, so we're offering choice, we're offering volume, and we're offering convenience—a convenience that you don't have to go to the video store, return a tape and very often, particularly in the large urban centers, go to a video store and the tape or

Julie Harris (left) and Jason Robards star in *The Christmas Wife*, HBO's *Showcase* special this month.

the movie you want isn't in.

On HBO's subscriber growth

Abraham: A lot of it has to do with marketing. The time-lock campaigns HBO has put on with cable operators three times a year, where there's a dedicated period of time in which the cable operator is marketing, are as much a reason for the upsurge as anything. If you would look at our audience and our marketing campaigns, they are not built around exclusive movies. That's not to say we ignore it, but that's not the way we do the marketing campaign. For example, the campaign we have for our movie lineup: "The best movies on TV." Now, there's not a word in there about exclusive. There is not a word in there about "only on HBO." On Cinemax it's "more movies, more choice." Again, no reference to exclusivity. When we had our first big exclusive movie out of our Columbia (package), it was *Annie*. I think the year was January of '83. And, believe me, there was no rush of people to sign up for HBO because we had *Annie* exclusively. It's not the way the business is driven.

Original programming goals

Abraham: What do we do? I think we do more of the same. We're on a real run with our original programming in terms of its quality, in terms of the acclaim we're getting. I will tell you *Dear America* won more awards probably this year than any show on television—not cable, but television—Emmys and best show of the year by the television critics; we are very proud of that. Next year, there's *Murders Amongst Us: The Simon Wiesenthal Story*. We want to create this feeling that HBO is television worth paying for, that when people see these programs time and time again it leaves a footprint, that this is where HBO was for *Dear America*, this is where HBO is going with *Wiesenthal*. They're not going to watch us every hour of every day and every night. You know that and I know that. But if we have enough high-quality, intelligent, thoughtful programming, then hopefully people feel that their monthly subscription is justified. I just don't think movie exclusivity is a real viable strategy. If we got into it, we got into it because in the chess game of pay television we had to make a counter move. Once they moved theirs, we had to move our piece.

Affect of people meters

Abraham: Our numbers are fairly consistent with what they've been in terms of percentages. I don't think there's a significant drop off. Again, a lot of this is grazing, where people flip around the dial during commercials. It's pretty hard for Nielsen to get an accurate reading. The fact is, without commercials, we don't have a lot of grazing among our viewers. They make a decision to come to an HBO showing and they stay with it or they leave and don't come back. They're not zapping around commercials.

On expanding the sports franchise

Abraham: Baseball clearly is the national pastime. But there's so much baseball out there now, we just don't think another game on HBO (would add any) specialness. We will hopefully chase the NFL next year when the ESPN contract runs out. They will be very difficult to unseat. They've done a good job. They're the incumbent, they have some advantages—not the least of which is distribution. I'm not one to create sports events. I don't think that washes with the public. After we lost the NFL, we didn't rush out and say, "let's go get darts." There is no feeling that we have to add more sports. I don't think that's the mandate at all. I'm not asked by Michael Fuchs to go and up sports at two percent every year. Sometimes we actually go down, if we do one less fight or if we do two less fights than the year before. There weren't 18 quality fights out there that HBO wanted to bid on.

On series programming

Abraham: If you find something that's worthy, that is special, that is going to create interest, then you look at it. A good programmer has to be nimble and not necessarily have a mind set. We created *A Dangerous Life*, the mini-series about Manila. *JFK in His Own Words*, *Dear America* were created by HBO. One of the things about HBO that is very different than commercial network television—aside from commercials or lack of commercials—is we don't use a formula. The networks have a formula. When something breaks out, really breaks out, like *All In The Family*, *Cosby*, *L.A. Law*, *Hill Street Blues*, it creates such news because it's broken a formula. The business of commercial television is how many people watch the commercials. The more people that watch the commercials, the more money the network can command. The more money they command, the more they spend on programming. That's really what it comes down to. The networks have a business relationship with their advertisers. We have a business relationship with our viewers. They don't like us, very simple, they're not going to send us a check. If they don't send us a check, they disconnect. No one ever throws ABC out of a home.

On scheduling philosophy

Abraham: People in the television business, programmers at least, I think, have egos and there's a bit of P.T. Barnum in all of us. And if we thought about putting a comedy stunt together, putting some kind of festival or stunt together to buttress a weak movie month, a month in which we didn't have a prize fight, sure, we will do that. That's part of programming hocus pocus. But we're not going out saying, "let's go find a series for 8 o'clock on Thursday night against *Cosby*." That's not the way we put our schedules together. At the end of the month we want you to be satisfied that it was justified sending in another check. You don't figure out how many times you watched HBO. You don't sit back and say, well I watched this, this and this, and I didn't watch that. You get a feeling HBO was worth it or it's not. It's very visceral. So when we put our strategies together, we don't look at a night, we don't look at a week, we look at a month. Are there enough movies? Are there enough quality movies? Are there enough original programs? Is there the right mix of a prize fight and sports? We're on a month-to-month contract with our subscribers. That's all.

On pay churn

Abraham: It appears (there are some things) we never overcome—people moving, their economic status changes, they don't like the programming. When we had *Fraggle Rock* on HBO we used to get a

Continued on page 78

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THE MOVIE CHANNEL
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Continued from page 62

the original programming is now getting the attribution it deserves. It seems like they now know that they've got to stop and say to themselves "where did I see that" instead of just spouting out "HBO" as a kind of a knee-jerk relation answer. That has meant a great deal to us. There's always someone, I suppose, who thinks *Cosby* is on ABC.

What exclusivity now means for Showtime

Schneier: What's going on at the moment is, first of all, we know that we can support and sustain exclusivity because we've got, under contract, and as yet unplayed, 250 titles. These are undelivered to us that are either in production, in theatrical release or on the boards to be produced. What that means to us is (getting closer to) a model that requires us to deliver in the neighborhood of 90 to 96 premiere films a year. So when you take 250 over, let's say, four years, it's 60-plus (films) going out per year, which means we're well along the way to fulfilling that model. We believe exclusivity is not only a strategy that is with us now, but that we will be able to sustain it over time.

Fred Schneier, executive vice president of programming at Showtime.

On pushing HBO into the exclusivity war

Schneier: Every marketplace for movies has at least a half a dozen competitors, whether it's theatrical-domestic, theatrical-foreign, home video, syndication or whatever. In the pay world there are two companies vying for product. Product gets made for these other markets, where six companies or seven or eight or 12 have to split up the available product.

We do not see the opportunity for anybody to corner the market on good movies. We're not looking to be significantly better than they are. We're looking to be a viable alternative. In a given year their lineup may be the equal of or even better than ours. We haven't seen it yet, but it's quite likely that there will be a year where that will happen. Now let's talk about units for a minute. The first thing is, how many movies count? And the answer is something like 100 movies count, and the rest are sort of fungible. It doesn't mean that they won't play reasonably well for you, they will. But those are not the cover movies. And we are satisfied that the deals we have in place, these 250 we're talking about, are going to deliver the cover movies that we need. People don't look at units, they look at movies, and they look at movies that they are interested in seeing or have heard a lot about and that have been a theatrical success. Our game is not to simply pile unit on unit.

On scheduling

Schneier: What we do is organize our schedule so that we give a lot of emphasis to weekends. We have constructed weekends as a Showtime franchise, and we schedule Friday night as an all-comedy night and Saturday night as an exclusive movie and original program night. Sunday is a double-feature night. These exclusive movies generally premiere on Saturday night and are followed by either a comedy concert or a music concert or a boxing match or some special event. On Friday night we will run all comedy movies, a lot of which will be exclusive movies, and some of which will be non-exclusive movies. And then we follow that with a series of Showtime original half-hour series programs like *Shandling*, *Brothers*, *Super Dave*, *Comedy Club Network*, so that it's an all-comedy night and has a high content of proprietary programming. This is new for 1988.

Affect of people meters

Schneier: We now have a little over a year of history, and with this new schedule in place, we are able to measure on a regular basis what reaction we're getting to all of this. We're very satisfied with it. We're getting the kind of subscribers we want to the scheduling we're doing and

Able to cover dart boards in a single bound; Showtime's *Super Dave* (Bob Einstein)

the programming that we're putting on. So we feel comfortable that we are on the right track. We just did an examination of September and October, and there is a 30 percent increase, 1988 over 1987, for those two months. There is a seasonality curve that goes with it because obviously we're not the same month to month because of the differences in the summer and the start of the network's fall season. We don't live and die on ratings, and I prefer to use relationships rather than actual numbers because I don't know what they're going to mean to anybody else. We, on a people meter, are able to examine ratings in Showtime and HBO common homes, and we are doing every bit as well as HBO in homes in which we both exist.

On the dual-pay environment

Schneier: We are committed to dual pay. There was, at the beginning, some resistance to the exclusivity concept. That's gone away because I think we proved our case. I wish I could take credit for the fact that our network growth in the last year and a half in pay has been as substantial as it has. I think we're a factor; we're hardly the only factor. But the truth is that pay has had a resurgence, and the dual pay is stronger than it was a year and a half ago. By that I mean dual pay exists in a larger percentage of the expanded universe of pay than it did a year and a half ago. So, it's grown twice, if you follow me. Operators are finding that there is a receptivity to dual pay in the marketplace, and I'm not sure that I know any cable operator that wouldn't rather sell two pays than one if it's selling. If what he was finding was, "(If) I've got to buy two, (then) I'll buy none," then I think we would have created a real problem in our marketplace, but that's not what happened.

Segmenting the programming

Schneier: The model we're looking for is roughly three-quarters exclusive and one-quarter non-exclusive. Then if you add original programming to that which is all exclusive, you'll wind up with a total service that looks 80-20. There's an interesting phenomenon here. If you take a cross-cut look at our schedule on any given month or any given year, what you'll find is premieres, encores of the premieres you had last year, and second windows of the premieres you had three years ago. We find that the research indicates that those second windows as well as the encores are delivering very healthy ratings. Therefore, there is a very rich mix of exclusive product that goes much deeper than just the premieres.

On repeat programming

Schneier: We do not play movies any more frequently than we used to, and with exclusivity we play them less. And the reason becomes clear and obvious: We're not playing them competitively, we play them where we want them, where we want to schedule them. We're not being defensive about "well, gee, they're running this." Back in the days of *Out of Africa* where everybody was running the damn thing blue because you were afraid you weren't going to get any value out of it because the other guy was going to run it so often, so you jumped in and you exacerbated the problem by running it too often as well. The cable operators were up in arms. It doesn't happen any more. We have the luxury of playing *The Untouchables* when we want it, as we think we need it.

On funding first-run programming

Schneier: We have attempted in our original programming to find ways to support that programming in the after-windows at the same time the program is made. We can stand taller with the same number of dollars as far as our license fee is concerned. If we can make an original movie like *Gotham* and know that it's going to play foreign theatrical and home video as well as play on our service and we can get somebody to commit in advance to that, it enables us to make that product at the proper price and still know that we haven't increased our license fee.

On movie prices

Schneier: It isn't going to go up because there are other factors in the marketplace. Home video is now a fully mature business, and it is in an earlier window than pay television, and we need to pay attention to that and so do the studios. They have to look at this as a continuum. They get so much from theatrical, so much from home video, so much from pay, so much from network, so much from syndication. We fit in all of that, that it's an appropriate place, and we pay an appropriate price. But we do have to look at what's going on around us. It is also important for us to run an economic model that gives us an opportunity to be profitable at the end of the year because that's how we stay in business and maintain our relationship as a good customer. And those things all need to be in focus, from our point of view and theirs. And reasonable people come out with a deal under those circumstances.

On retail pricing

Schneier: It is declining, and we're encouraging its decline because we think there is a sensitivity on the part of the consumer to the total price he pays. The consumer really doesn't stop and think about "well, it's so much for this and so much for that" until he's ready to cut something out. What he really looks at is, is my basket filled up at $32 a month. "I don't want it to be $42 a month. I want it to be $32, what do I cut out?" That's the unhealthiest situation we could face. We would rather take pay channel rates down so that they remain in the package. The dual pay, then, becomes a very acceptable and attractive combination in the total monthly price. (We) figure that we will expand more in terms of our universe than we will lose on a per-unit basis. We're not looking to lose on a per-unit basis. We look at total dollars over the year, and that's a combination of the size of the universe and the wholesale rate.

On series programming

Schneier: We like the series and we're unique in the pay area because we're the only ones that do an ongoing series. *Brothers* is just celebrating its 100th episode, which goes on the air next month. *It's Garry Shandling's Show* is starting its third season with us. *Super Dave* is starting a second season. *Comedy Club Network* is starting a second season. We don't want to start looking like the commercial networks, so there is a limit on our appetite. They tend to play on Friday night, starting at 10 o'clock, when none of the commercial networks do comedy. Our ratings are good, and our responses are good, and we're able to sustain these shows year after year. We've got a lot of things in development for I guess the day when these shows are finished. But I don't think we want to wind up with 10 or so half-hour series. We think pay television is very much the home of the theatrical movie, uncut and uninterrupted and delivered on an exclusive basis with a lot of other programming going with it. Series plays a part in that, but so do comedy concerts, music concerts, and boxing events. They are an integral part. We did a pilot on a new one with Bernie Brillstein's company called *The Boys*. We are also going to look at the possibility of doing a one-hour drama anthology series. Well, we'll probably be able to announce that in a month. It won't be on our schedule until next summer.

On daytime programming

Schneier: During the week, in daytime, we find we have a modest audience. There is lots of terrific product that we've bought for the prime time that we can run on a convenience basis (in daytime). It becomes interesting to the subscribers or the parts of the subscribing families that are home and available for the set. The one single major exception to that is family time where we've blocked out 4-6 p.m. Monday through Friday, where we do children's and family programming. When I say "family" what I really mean is it may be aimed at children, but it will have an entertainment quotient that is not just designed for a 5-year-old, but is acceptable in a home where parents are kind of looking over their shoulder. The newest ingredient in that is *Storybook Classics*, a series that we introduced at the beginning of the year and I'm now augmenting, which is a series of half-hours that are done in a very simple animated form, telling great children's stories with wonderful stars doing the narration.

On the quality of first-run movies

Schneier: We had about seven or eight (films this year). We intend to go to 12. It may take us another year to get there. But we would like to go, optimally, to one a month. We're really interested in pursuing the template that we established with *Gotham*. It was on in August, worked very well for us, and delivered very high numbers. It is going to be a fine theatrical picture and play every market, you know every window there is, with the single exception of U.S. theatrical.

On syndicating Showtime movies

Schneier: Viacom will have a couple of them and they will be part of their overall packages. We think it's more successful to do it that way than to label them and put them out. The world is not waiting for a Showtime package of movies. They're waiting for good movies. Viacom has enough sources to be able to put out a balanced package, where we may give them two films, then the same thing again next year or two or three in a special package that they're putting together. But there's no pre-set pattern.

On music and comedy series

Schneier: We're doing a series of music programs hosted by Herbie Hancock, and not just a bunch of individual shows, now you see them here and six months later you see them there. That's an 1988 introduction and going to be much stronger in '89. Another thing we're doing more is developing a comedy star system. We are taking comedians, we're running them through a series of stages on our service that starts with the *Comedy Club Network* (which) appears on our network Friday nights from 9:45 to 10. We created it because the movies don't all end at the same time. You've got a common start time for your first half-hour at 10 o'clock. But the movies end at 9:20, 9:30, 9:35 P.M.—you can't run promotional material for 25 or 35 minutes. You're going to lose your audience. It's a wonderful time to do some promo stuff. It's three comics doing a five-minute bit.

Does exclusivity slow down first-run?

Schneier: The original programming dollars we spend in 1989 will cost us less per unit than they cost in '88. We'll spend more dollars, but less per unit because as you grow, you don't pay on a per-subscriber basis for your original programming. (Let's say) I have one million subscribers and the program cost me $100,000. If I go to two million subscribers the program still costs me $100,000. So I've cut my cost per subscribing unit in half. You can grow and spend more absolute dollars, but spend less of your overall if you have a fix on what your programming costs should be per subscriber. You can actually be saving pennies per subscriber even through you're spending more dollars. ■

Continued from page 70

couple of letters every month from people complaining that are we wasting time with *Fraggle Rock*. There should be more R-rated movies. We want to see T & A, that's why we got cable television. You can't please all the people all the time, you try to please most of the people most of the time.

On lower retail pay rates

Abraham: You can argue both ways. You could argue that you begin to create the impression that it's distressed product. When you shop at Tiffany's you expect Tiffany prices. You don't expect to get jewelry for J.C. Penney prices. There is that mind set as well. The other side of it is of course, people would always like to spend less. But in lowering prices I don't know that it automatically is going to change the economic structure of our business. I'm not a marketing guru. I guess my feeling is to the first side. You run the risk of cheapening the product or the image of the product when you start lowering prices. (But) if by discounting during a particular promotion you lower the price of HBO, or any service, to get people to sample it, (then that's okay). We have system-wide previews where in essence we give HBO away to basic subs for a weekend. Selling it for free twice a year, on two weekends, we think is a good idea.

On funding HBO Pictures

Abraham: You look for co-ventures, foreign money, video rights, after market rights. You try to be clever and thrifty. I've watched every night of *War and Remembrance*. I was just curious to see what $110 million looked like on the screen. And you know something, it's on the screen. The dramatizations, all shot on location; the battle scenes are just phenomenal. People don't say

HBO can afford to be of lesser quality. I think the opposite. People look to us for things of higher quality because they're paying for it. They're saying "*War and Remembrance*, I get for free. For *A Dangerous Life* or *Wiesenthal*, I'm paying for it on HBO."

On Mike Tyson

Abraham: All of this hoopla, both matrimonially and from a boxing standpoint, is more of a big curiosity. If and when he gets back into the ring the first time, it will just command a tremendous audience from fight fans and from hangers-on. And from those who are just morbidly curious to see who is this 22-year-old that Robin Givens is suing for $125 million, etc. It's not necessarily how I want to plan a schedule. There will be some light given off when he gets back into the ring. There's an upside and a downside. We had Tyson-Bruno in September, October, December and January. Four times, actually five times—twice in October—Tyson-Bruno has been scheduled and five times it's been cancelled. Tyson loses by not fighting, Bruno loses because he doesn't get paid. The public loses and HBO loses. ■

NOTES

C-SPAN

When George Bush becomes president next month, C-SPAN will institute a policy change regarding presidential news conferences. All Bush conferences will be carried live, followed by a Democratic Party response and a call-in period for viewer questions and critiques. Until now, C-SPAN either declined to carry presidential conferences or ran them on a tape-delay basis because of various factors.

Showtime

Showtime will celebrate Christmas Day with a *Children's Storybook Classics* marathon. Six episodes from the animated series will be cablecast back-to-back, followed by the premiere of *Santa Bear's First Christmas*, narrated by Kelly McGillis. The feast begins at 6 a.m. ET. As for New Year's, Showtime will save its premiere treat for a midnight launch; *Gloria Estefan and Miami Sound Machine*, captured in concert worldwide.

This notice appears as a matter of record only.
November 1988

Sold:

Galaxy Cablevision
Has acquired
E-Z Vision Inc.
Serving Rusk and portions of Cherokee County, Texas.

Sale represents 1,250 basic subscribers.

Jeff Eden represented the sellers.

DANIELS
& ASSOCIATES
3200 Cherry Creek South Drive
Suite 500
Denver, Colorado 80209
303/778-5555

Financial Services to the Cable Communications Industry.

Pay-Per-View Supply Chart

December	Source
Above The Law MPAA Rating: R Running Time: 99 mins. Cast: Steven Seagal, Henry Silva, Sharon Stone	Warner Bros.
Angel III: The Final Chapter MPAA Rating: R Running Time: 100 mins. Cast: Maud Adams, Mitzi Kapture	New World
Anna MPAA Rating: PG Running Time: 100 mins. Cast: Sally Kirkland	Vestron
Bad Dreams MPAA Rating: R Running Time: 85 mins. Cast: Bruce Abbott, Jennifer Rubin	20th Century-Fox
Casual Sex MPAA Rating: R Running Time: * Cast: Victoria Jackson,Lea Thompson	Universal
Consuming Passions MPAA Rating: R Running Time: 100 mins. Cast: Vanessa Redgrave, Jonathan Pryce	Sam Goldwyn
The Dead MPAA Rating: PG Running Time: 80 mins. Cast: Angelica Huston, Donal McCann	Vestron
The Emperor's New Clothes MPAA Rating: G Running Time: 85 mins. Cast: Sid Caesar,Clive Revill, Robert Morse	Cannon
Funny Farm MPAA Rating: PG Running Time: 102 mins. Cast: Chevy Chase, Madolyn Smith	Warner Bros.
My Best Friend Is A Vampire MPAA Rating: PG Running Time: 89 mins. Cast: Robert Leonard,Cheryl Pollak, Rene Auberjoiois	Kings Road
The New Adventures Of Pippi Longstocking MPAA Rating: G Running Time: * Cast: Tami Erin, Eileen Brennan, Dennis Dugan, John Schuck	Columbia
Nightmare At Noon MPAA Rating: R Running Time: 97 mins. Cast: George Kennedy	Graff
Not Of This Earth MPAA Rating: R Running Time: 80 mins. Cast: Traci Lords	Concorde
Off Limits MPAA Rating: R Running Time: 102 mins. Cast: Willem Dafoe, Gregory Hines, Amanda Pays, Fred Ward	20th Century-Fox
Rambo III MPAA Rating: R Running Time: 102 mins. Cast: Sylvester Stallone, Richard Crenna	Columbia
Rikky & Pete MPAA Rating: R Running Time: 101 mins.	MGM/UA
Salsa MPAA Rating: PG Running Time: 99 mins. Cast: Robby Rosa	Cannon
Stormy Monday MPAA Rating: R Running Time: 93 mins. Cast: Melanie Griffith, Tommy Lee Jones	Paramount
Two Moon Junction MPAA Rating: PG Running Time: 104 mins. Cast: Sherilyn Fenn,Louise Fletcher,Burl Ives,Kristy McNichol, Richard Tyson	Viacom
Vampire At Midnight MPAA Rating: R Running Time: 93 mins. Cast: Jason Williams, Gustav Vintas	Skouras

January	Source
Appointment With Death MPAA Rating: PG Running Time: 102 mins. Cast: Peter Ustinov, Lauren Bacall,Carrie Fisher	Cannon
Arthur 2 On The Rocks MPAA Rating: PG Running Time: 112 mins. Cast: Dudley Moore,Liza Minnelli, John Gielgud	Warner Bros.
Big Top Pee-Wee MPAA Rating: PG Running Time: 111 mins. Cast: Pee-Wee Herman (Paul Reubens),Valeria Golino,Penelope Ann Miller	Paramount
Danger Zone II: Reaper's Revenge MPAA Rating: R Running Time: 95 mins. Cast: Jason Williams,Robert Random	Skouras
The Drifter MPAA Rating: R Running Time: 89 mins. Cast: Kim Delaney, Timothy Bottoms, Al Shannon	Concorde
It Takes Two MPAA Rating: PG-13 Running Time: 78 mins. Cast: George Newbern,Leslie Hope	MGM/UA
Midnight Crossing MPAA Rating: R Running Time: 94 mins. Cast: Faye Dunaway, Daniel J. Travanti, Ned Beatty	Vestron
The Nest MPAA Rating: R Running Time: 87 mins. Cast: Robert Lansing,Lisa Langlois,Franc Luz	Concorde
Whoops Apocalypse MPAA Rating: R Running Time: 91 mins. Cast: Loretta Swit,Peter Cook	MGM/UA

Note: Running times are approximate.
NR indicates film not rated by MPAA.
*Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	ADDRESSABLE SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy I, tr.5	VideoCipher II	Movies, how-to's, special events.	1,000,000
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	Movies and special events.	1,400,000
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,000,000
Request Television	November 27, 1985	R-1: Satcom III-R, tr. 19 R-2: Satcom III-R, tr. 4	VideoCipher II	Two channels offering movies and special events.	3,300,000
Tuxxedo Network	December 1, 1987	Galaxy II, tr. 10	VideoCipher II	Adult movies and special events.	300,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Two channels of movies and special events.	3,200,000
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: movies. Channel 2: cult movies and video rental favorites. Channel 3: additional plays of Chs. 1/2 titles. Channel 4: previews and barker information.	60,000

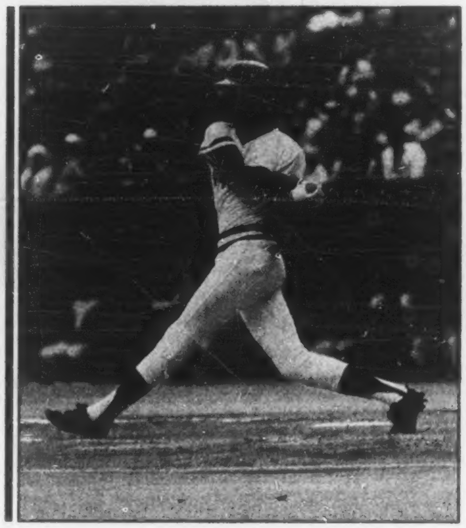
Everybody's talking baseball

NBC isn't alone is forging possible partnerships with cable to seek a Major League Baseball package. According to one source, CBS is doing likewise. "Everyone is talking with everyone," says the source.

Although no names were divulged, a good guess would be USA Network. CBS often has collaborated with USA in airing early rounds of such events as the Masters and the U.S. Open. But Neil Hoffman, USA vice president of programming, says that if there have been any talks with CBS, he doesn't know about it.

No matter who finally gets the baseball package, one thing is certain: ratings won't be on the scale of the NFL games.

This scenario hasn't deterred NBC. It started talks a few weeks ago with Cablevision's Rainbow Program Enterprises and has mulled a deal with Turner Broadcasting, one of the early perceived leaders for a cable baseball package.



Cincinnati Reds' Eric Davis. Batting for the right network-cable mix.

Would a network-cable partnership have any leverage in swaying Major League Baseball? Don't count on it, says Roger Werner, president and CEO of ESPN. "I don't think they want to cut a deal for the whole bundle," he says. Neal Pilson, president of CBS Sports, agrees: "No one has any real advantage." The reason is that MLB is looking to increase value for team owners, not take away dollars, say programming experts. Partnerships would, in theory, hope to save money, as well as build a more formidable business combination.

To date the NFL has been cable's biggest prize with the ESPN package. Baseball would also be a plum but not on the scale of football. With an overabundance of baseball on superstations and local stations, the sport's anticipated national cable ratings would be slim, especially if available as a weekday package.

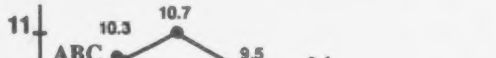
Bart McHugh, senior vice president and director of national radio/television programming for DDB Needham, sees a possible 2.5 rating for a weekday cable baseball game. That's about ESPN's average prime time rating. NFL games on ESPN, on the other hand, have produced ratings as high as 14. Fewer games is one simple factor.

At the start of last season, advertisers were concerned that the extra advertising inventory with a NFL cable package would siphon away network ad dollars. That didn't happen. Tom Winner, senior vice president and director of broadcast operations at Campbell-Mithun-Esty, says that as long as the baseball package remains in the hands of two or three parties, ratings dilution won't occur. But multiple midweek packages on two cable networks, as well as two existing network packages, would cut into the broadcast networks' numbers.

Steve Grubbs, senior vice president and director of national television for BBDO, doesn't think the addition of a cable or alternative network package will hurt NBC. "The important thing for them is to keep the exclusivity of baseball on Saturday afternoons."

—Wayne Friedman

Baseball Owners are Reading the Signs:
(average regular season ratings)



Source: Nielsen People Meter

Generate earnings? Perish the thought!

◆◆◆◆◆◆

By Virginia Munger Kahn

Top 10 MSOs

	1st 9 mos Earnings '88 (000's)	1st 9 mos Year Ago (000's)	% Change	9 mos. EPS '88	9 mos. EPS '87
TCI	34.5	33.1	+4%	.19	.20
ATC	47.9	36.4	+31.5%	.44	.33
Warner Comm.	332	236.1	+39%	2.02	1.50
Comcast	(10.0)	(4.6)	+120%	(.20)	(.14)
UA	16.7	4.25	+292%	.51	.10
United*	(15.3)	(3.2)	+378%	(.30)	(.08)
Viacom	(167.7)	(171.7)	-5%	(3.05)	(3.22)
Cablevision Systems	(120.0)	(33.4)	+259%	(3.40)	(1.50)
Jones Int.*	20.25	5.0	+305%	2.34	.46
Times Mirror	236.1	211.8	+11%	1.82	1.64

*Full FY ending May 31

Investors are nervous these days. They're nervous about the economy, they're nervous about all the debt corporate America has taken on in the last five years, and they're uncertain about the regulatory climate for mergers and acquisitions. Not surprisingly, the stock market has been setting new post-crash lows lately and when investors do buy stocks, they're moving towards "quality." That means they're buying blue chip issues and other stocks that post solid earnings and give shareholders stable dividends even in a recessionary climate.

Not surprisingly in this environment, cable issues have been under serious pressure. Stocks that consistently have outperformed the market over the last two years barely have been keeping up with the rest of the market in the last few months.

Meanwhile, values in the private market have continued to march ahead. The result has been a widening gap between private and public market values and an increasing clamour among institutional investors for some indication from cable companies as to how they propose to close that gap. As John Tinker, media analyst at Morgan Stanley & Co. notes, investors are asking, "how can we realize those values?"

The answers lie in several directions. Is it possible that the time has come for cable companies to think seriously about generating profits in order to boost public market values, or are there other methods for closing the gap that might better suit the industry's current structure and stage in its development?

The concept of generating earnings is not so strange. Already, at least two pure cable companies—American Television and Communications and TCA Cable—consistenly post profits. Until two years ago so did Comcast Corp. Otherwise, those companies among cable's top MSOs that do consistently report earnings primarily are large, integrated media and entertainment firms such as Times Mirror and Warner Communications.

These companies were established long before many of the publicly-held cable operators were put together, and they've built their companies with a substantial amount of public equity. As is true of 90 percent of American business, they trade on their prospects for profitable growth and their ability to pay out dividends.

At this point in cable's development, the decision to be profitable or is not primarily up to management, and it varies from company to company. As Lee Cox, president of PacTel, noted in a recent interview with *CableVision*, many companies in the industry simply have chosen not to pass excess cash flow to shareholders. "That isn't necessarily going to continue in all cases," he said. "If a cable company has reached its ultimate growth... it could begin to divert cash flows... to shareholders."

The main impetus to generating earnings would be to attract new investors to the business and ultimately to increase public market values. While cable TV is widely held by institutions, there are many, such as pension funds, who cannot invest in the business because cable does not generate profits or issue dividends regularly.

If cable companies were to begin generating earnings, they would be able to attract a whole new class of investors. Neil Schulman, vice president at Lehman Asset Management, figures that development could result in a narrowing of the discount from its current 45 to 50 percent level to perhaps 60 percent.

Yet, investors have not rewarded those pure cable companies which do consistently post profits. ATC, in fact, is among the three cheapest public stocks with a discount to private market value of 43.5 percent, according to figures compiled by Hanifen Imhoff cable analyst Ken Goldman. TCA's relatively narrow discount to private market value of 23 percent is based on takeover speculation.

In fact, not one major investor in cable television stocks contacted for this article seriously considers earnings a goal that cable companies should seek to attain. Schulman says it would be "nice" to see dividends or earnings from a cable company, but he adds quickly that "nobody seems to care" about such things.

The perception among many analysts and investors is that the cable business simply is not ready to start generating earnings. "A few companies may be close," says one investor, "but I don't think you're quite there yet." Standing in the way is further industry consolidation, the need to reduce debt, and stock buyback plans, he and other analysts note.

> "Those that understand cable TV and have been with it awhile would be disappointed if cable started generating earnings. It would signify a lack of growth."
>
> —Edward Hatch
> Merrill Lynch

The bottom line is that cable managements can get better returns for their companies and their shareholders by plowing excess cash flow back into their companies rather than distributing it to shareholders. As Edward Hatch, Merrill Lynch's cable analyst, puts it, "Those that understand cable TV and have been with it awhile would be disappointed if cable started generating earnings. It would signify a lack of growth."

That argument that cable still has not reached maturity is pervasive among cable investors. Alan Snyder, president of Snyder Capital Management in San Francisco, believes cable managements want to conserve their cash to position themselves for continuing consolidation. "No one has a national presence other than TCI," Snyder notes, comparing cable television to where broadcast TV was in the 1950s.

Still others say that the industry would best be served now by bringing down debt levels and positioning itself for hard economic times to come. This is not the time to chase after increasingly "speculative" prices in the private system market, several say, but rather a time to play a conservative game by either reducing debt or buying back stock.

That advice goes to the heart of the perception by institutions that one of the primary causes of the large gap in private and public values is that private values have gotten away from cable operators—that is, that values in the private market cannot be sustained on an economic basis. Whereas in previous periods institutional investors have gone along for the speculative ride, this time they have balked. "They don't believe it," says one investor, echoing sentiments of other industry analysts.

In fact, several analysts have commented on the fear of an impending telephone company threat that grips many institutions. That fear and bearish market sentiment have caused large investors to lighten up on cable stocks in their portfolios, thereby putting downard pressure on public market prices.

What the public markets need now is a positive reason to invest in the group again. One of the best

Continued on page 160

Quarterly Earnings Report

Dollar amount in thousands

Company (Quarter/Fiscal Year)	Revenues	% change from prior year	Operating Profit	% Change	Net Income	% Change
ATC (3rd/88)	$205,210	13.69	$32,325	-22.58	$ 9,649	-26.15
Cablevision Systems (3rd/88)	126,885	69	-1,313	-1087.10	-117,478	-367.9
Centel (3rd/88)	325,522	5.1	71,940	-14.76	37,313	-4.75
Centel Cable (3rd/88)	38,611	18.75	5,156	77.61	2,334	N.A.
Century Comm. (N.A.)	43,603	9.9	9,706	14.5	-2,198	-1.3
C-Cor Electronics (1st/89)	12,219	63.86	N.A.	N.A.	1,066	375.35
Heritage Media (3rd/88)	11,530	20.5	4,196	19.4	2,187	63
Home Shopping Network (4th/88)	168,100	5.13	N.A.	N.A.	3,300	0
Jones Intercable (1st/89)	14,495	81	7,263	35	-5,211	-502
Jones Spacelink (1st/89)	15,590	86	7,266	42	-1,793	-228
Knight-Ridder (3rd/88)	503,126	5.79	58,213	-10.11	31,998	-4.34
Multimedia (3rd/88)	107,952	5.33	35,425	8.85	4,455	-9.82
NY Times (3rd/88)	404,149	-5.7	38,820	-33.99	26,682	-18.15
Scientific-Atlanta (1st/89)	124,944	-3	10,519	11	6,732	14
Scripps-Howard (3rd/88)	64,915	18.21	11,455	14.95	2,450	-4.18
Tele-Communications Inc. (3rd/88)	624,000	31.5	244,200	34	63,700	N.A.
Time Inc. (3rd/88)	1,133,000	5.49	159,000	3.25	81,000	9.46
Times Mirror (3rd/88)	814,779	4.79	122,958	-8.05	80,965	14.68
Turner Broadcasting (3rd/88)	198,676	31	23,292	22	36,458	3
United Cable (1st/89)	72,636	19	30,111	19	3,542	631
Viacom (3rd/88)	311,561	21	29,797	-1	-56,925	-8.97
Video Jukebox Network (3rd/88)	380	725	966	1231	-175	30
Washington Post (3rd/88)	329,371	5.26	58,087	-2.11	38,060	-37.93
WestMarc Communications (3rd/88)	33,017	13.82	2,106	-68.34	-4,860	1028.0

SOLD

September, 1988

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L.P. – 1987

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Topeka, KS 66614
(913) 273-0017

NOTES

Financial/Stocks

Select Entertainment

Select Entertainment Corp., formerly Telstar, will receive a $22 million capital infusion from Interlink, a communications/financing business in New York. Interlink will pick up a majority interest in Select Entertainment from the transaction; Select operates the Zap! Movies multichannel pay-per-view service and SelecTV, an STV channel in Los Angeles.

Cable USA

Cable USA Inc. has attained $6.5 million in senior secured debt from First Union National Bank of North Carolina. The funds will be used to refinance and construct systems in the metro Atlanta area. Cable USA is based in Cummings, Ga. Communications Equity Associates handled the process on the operator's behalf.

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Continued from page 143

such developments would be a major investment in the business by one or more Regional Bell Operating Companies, say analysts. As Ken Goldman notes, that would provide a "double-whammy." Not only would private market values rise, but it probably would help public values as well.

As far as the cable companies themselves are concerned, one of the best things they could do now—instead of buying subscribers at $2,500 each in the private market—is buying back stock at less than half that price, say analysts.

Considering the rapid pace at which private market values have risen, several investors say they expect those values to plateau for a while. If that is the case, the gap could close as public market values rise to reflect improvements in the business itself. After all, penetration levels and revenues will continue to increase, notes Lehman Management's Schulman.

That bullish assessment of the industry as an ultimately solid investment was echoed throughout the investment community. "Sure, we'd be a lot happier if the stocks were selling closer to 100 percent (of PMV)," said one investor. "But we think (the stocks are) a terrific value and that time will give us good returns."

Even in today's market environment, where investors are looking for "quality" and are gravitating towards businesses with favorable fundamentals, Hatch contends cable should be viewed positively. "With three to five percent unit growth, good pricing flexiblity, no foreign competition, and a technology risk that's years away, investors should overlook the absence of eps (earnings per share)," this investor says. ■

CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	365	8,000,000
Alternate View Network	250	4,000,000
Arts & Entertainment (A&E)	2,600	36,000,000
Black Entertainment Television	1,200	20,000,000
Cable News Network	11,860	46,238,000
Cable Value Network	1,850	20,000,000
CBN Family Channel	8,215	41,642,000
C-SPAN	3,014	39,200,000
C-SPAN II	539	15,400,000
Country Music Television	862	8,000,000
The Discovery Channel	3,567	35,800,000
Eco	300	1,000,000
ESPN	9,500	47,800,000
Eternal Word Television Network	461	10,100,000
Family Guide Network	60	4,500,000
FamilyNet	47	1,200,000
The Fashion Channel	600	10,100,000
Financial News Network	3,500	31,000,000
FNN/Score	1,150	19,800,000
FNN/TelShop	950	11,000,000
Headline News	3,228	32,693,000
Home Shopping Network	1,396	16,058,625
Home Shopping Network II	322	5,716,642
The Inspirational Network	950	10,500,000
International Television Network	56	7,868,900
The Learning Channel	930	12,800,000
Lifetime	3,600	40,800,000
Mind Extension University	84	2,200,000
Movietime	200	7,500,000
MTV	5,010	42,700,000
The Nashville Network	7,335	41,051,392
Network 1 USOA	N.A.	N.A.
Nick At Nite	3,285	36,400,000
Nickelodeon	6,195	41,200,000
The Nostalgia Channel	290	3,500,000
Prevue Guide	200	5,300,000
QVC Network	931	12,600,000
RFD TV	N.A.	N.A.
Shop Television Network	119	4,600,000
Silent Network	380	10,300,000
Superstation TBS	8,171	45,718,000
Tempo Television	700	8,000,000
TNT	1,279	17,040,000
The Travel Channel	300	11,000,000
Trinity Broadcasting Network	650	8,000,000
Univision	340	N.A.
USA Network	10,100	45,200,000
VH-1	2,140	27,900,000
Vision Interfaith Satellite Network	N.A.	6,200,000
The Weather Channel	3,240	36,100,000
WGN-TV	11,000	24,900,000
WWOR-TV	2,499	12,302,073
WPIX-TV	858	9,678,474

Bonus/basic services

American Movie Classics	1,500	13,000,000
Bravo	350	1,300,000

Pay services

American Exxxtasy	35	27,000
Cinemax	3,650	5,100,000
The Disney Channel	5,000	3,810,000
Festival	100	42,500
Home Box Office	7,400	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	550	490,000
Showtime	6,000	6,300,000

Audio services

Cable Radio Network	49	1,556,736
Galatic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,578,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000

Computer services

DBC/MarketWatch	462	9,200,000
X*Press Executive	457	6,100,000
X*Press X*Change	457	6,100,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Interactive services

Basic services	Affiliates	Subscribers
Telaction	4	25,000
Video Jukebox Network	9	268,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	177,000
Bay Area Religious Channel	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,000,000
KTVT	415	3,588,270
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,500,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	532,000
Prime Cable	9	381,938
Prime Sports Network	N.A.	N.A.
Prime Ticket	55	2,300,000
Sportsvision	50	1,507,270
Sunshine Network	112	1,700,000

Pay services

Home Sports Entertainment	196	684,740
Home Team Sports	114	1,000,000
New England Sports Network	160	301,131
Prism	87	427,000
Pro-Am Sports	140	301,000
SportsChannel (Florida)	10	470,000
SportsChannel (New England)	147	942,943
SportsChannel (New York)	94	1,300,000
Z Channel	65	110,010

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.
N/A denotes information not available.

Announced services

Satellite-fed services	Expected launch
American Man's Network	2/89
ATV: Advertising Television	1/89
CD/8: The Digital Music Network	1st Quarter 1989
CNBC	1st Quarter 1989
The Computer Channel	5/89
Digital Cable Radio	1st Quarter 1989
Digital Radio Labs	1st Quarter 1989
Interactive Game Network	3rd Quarter 1989
Kids Information Network	1st Quarter 1989
The Landscape Channel	1st Quarter 1989
Laugh TV	1st Quarter 1989
Mizlou Cable Sports Network	4/89
Spanish TV News Network	1/89
Talk Television	1st Quarter 1989
Wingtips	4th Quarter 1989

Non satellite-fed services	Expected launch
ACTV	4th Quarter 1989
Main Street	2nd Quarter 1989
On Demand/UTV TV Network	4th Quarter 1989

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT DECEMBER 19, 1988

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12/30/88

PRODUCTION GEAR

AD BASHING

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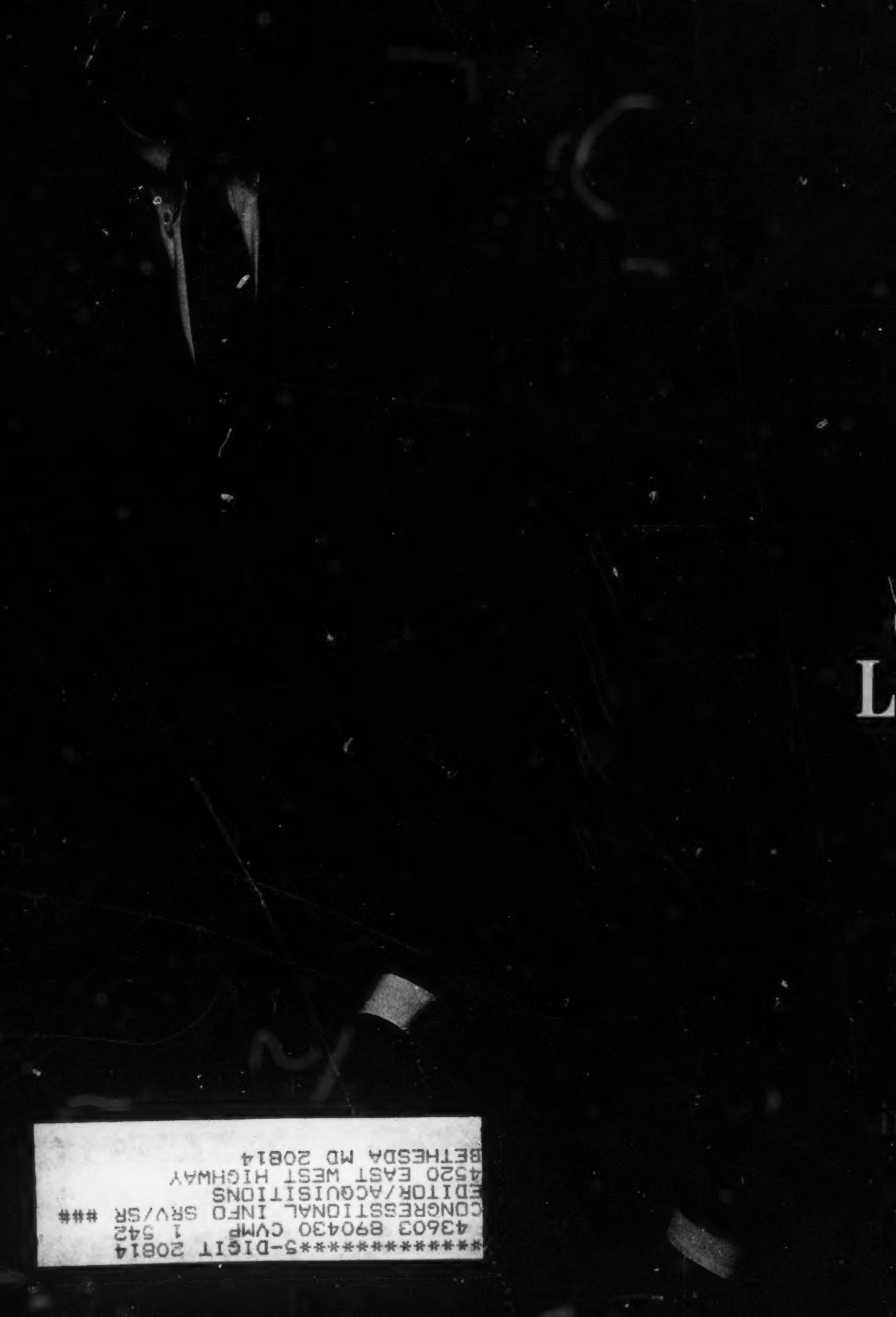
PRICE PARITY IN TV



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INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT DECEMBER 19, 1988

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INFORMATION

CNBC lands some big fish. 12
With eight of the top 10 MSOs now aboard, CNBC surpasses its targets for launch but still has work to do.

Debating telco entry. 12
It would cause 'thermonuclear war' if telcos operated cable systems in their service areas, and issues about cross-subsidization remain much in doubt.

The dilemma of fiber bandwidth. 17
The proliferation of products at the Western Show demonstrates the acceptance of fiber, but many say more bandwidth—up to 1 gigahertz—is needed.

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Bashing cable advertising. 22
Like an awakening giant, the broadcast networks are rousing to combat strengthening cable ad sales through negative presentations to ad agencies.

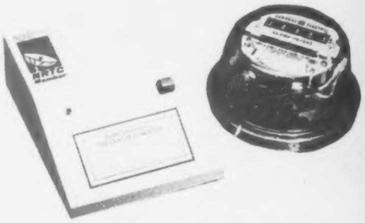
Gearing up for local productions. 37
For local cable to emerge as a medium in its own right, experts say, it must produce its own shows. And that now is possible as equipment prices fall dramatically.

Centel hears a call. 44
With potential profits so great and stockholder pressure so real, Centel can't pass on selling its cable division. As Centel and others exit the business, a small glut develops in the system market.

Gaining price parity. 48
How much is a large-market, standalone cable system worth? About the same as a strong network TV affiliate in the same market.

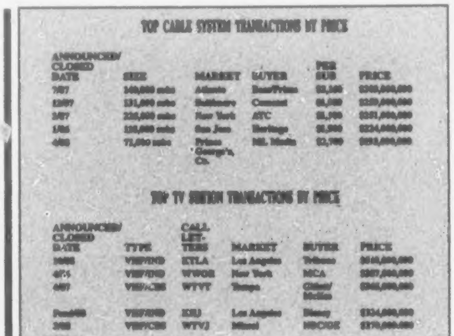
Cable jumps into the Olympic swim

27



Co-ops learn some new tricks

16



TOP CABLE SYSTEM TRANSACTIONS BY PRICE

ANNOUNCED/ CLOSED DATE	SIZE	MARKET	BUYER	PER SUB	PRICE
[illegible]	[illegible]	Atlanta	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Baltimore	Comcast	[illegible]	[illegible]
[illegible]	[illegible]	New York	ATC	[illegible]	[illegible]
[illegible]	[illegible]	San Jose	Heritage	[illegible]	[illegible]
[illegible]	[illegible]	Prince George's, Co.	ML Media	[illegible]	[illegible]

TOP TV STATION TRANSACTIONS BY PRICE

ANNOUNCED/ CLOSED DATE	TYPE	CALL LETTERS	MARKET	BUYER	PRICE
[illegible]	VHF/IND	KTLA	Los Angeles	Tribune	[illegible]
[illegible]	VHF/IND	WWOR	New York	MCA	[illegible]
[illegible]	VHF/CBS	WTVT	Tampa	Gillett/ Media	[illegible]
Pending	VHF/IND	KHJ	Los Angeles	Disney	[illegible]
[illegible]	VHF/CBS	WTVJ	Miami	NBC/GE	[illegible]

Source: Frank Boyle & Co. Transaction Database

A new relationship in media values

48

COVER PHOTOGRAPH

Centel's David Bohmer and Jack Frazee, heeding a call to cash in.

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ITCI

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ABP BPA

COMMENTARY

Take me out to the old small screen

◆◆◆◆◆◆

With a confidence built upon its financial success, the cable television industry is aggressively positioning itself to become the primary distributor of baseball. There are few who disagree that it is but a matter of time before the migration of baseball to cable becomes a total relocation, restricting broadcast TV to, perhaps, the league championships and the World Series.

It is easy conceptually to explain—some would say to rationalize—why this is occurring. Given the escalating costs of fielding teams, owners must realize ever-increasing sums for the TV rights to their games, and cable is willing and able to foot the bill.

But this financial reality is rapidly bumping up against the social mores of our nation in a way that threatens to change both the fundamental nature of baseball and of cable itself.

For evidence that cable could alter baseball one need look no further than football, where television time-outs have significantly lengthened the contests and instant replays have focused attention on the most violent aspects of the game. Many believe that the televising of football games has weakened the bonds between teams and their hometown fans. The Cardinals and the Colts move on to other towns in search of better financial deals, better TV markets.

These factors become magnified in baseball, with a number of games in a season greater than football by a factor of 10. As The *New York Times* noted sports commentator Ira Berkow has observed, baseball on cable has the danger of becoming just another show amid a glut of other programming. And baseball, he argues, is not a "made-for."

These societal musings aside, another perhaps more pertinent concern is what the migration of baseball to cable could do to the industry. Everyone is well aware of Washington's unsettled view of cable at present. There are many who favor the return of regulation, but that pressure to date has developed without a catalyst capable of serving as a flash point for the industry's opponents. It is mostly a passionless debate to argue for restraints on cable because of vertical integration or concentration of ownership. But the balance in that argument could quickly be tilted if the notion emerges that cable has bought and sold the national pastime.

Baseball is as close to bread and circus as this nation comes, and the cable industry should approach the subject with the understanding that much more than money and programming is at stake.

—Steve Tuttle,
Editor

CableVision

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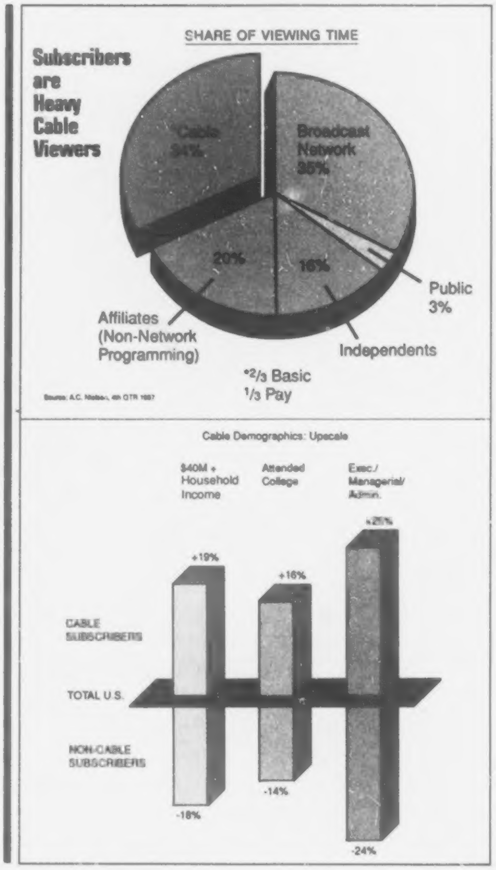
Patrick Keleher
President/Chief Executive Officer

December 19, 1988
Volume 12, Number 12

Networks turn to cable-bashing

◆

By Wayne Friedman



Belatedly reacting to cable's growing clout as an advertising vehicle, the broadcast networks and the Television Bureau of Advertising (TvB) are hitting back with presentations to ad agencies belittling cable's ratings and audience reach. It's a strategy that agency executives say was a long time coming but doesn't really provide much new information.

"They have been beaten up by the cable networks long enough," says Steve Grubbs, senior vice president of national television for BBDO. Ad agency executives say the attack on cable marks a shift in the way broadcasters perceive their business. "The buzzword is marketing, not selling," says Alec Gerster, executive vice president of media for Grey Adveristing.

The first wave of cable-bashing came in a booklet recently sent out by TvB to member stations. Responding to questions raised by a Cabletelevision Advertising Bureau media campaign, the TvB booklet focuses on the difference between broadcasters' household coverage versus cable's clearances. The booklet asserts that, for example, ESPN's 53 percent or USA Network's 50 percent penetration of U.S. households aren't in the same ballpark with broadcasting's nearly 100 percent exposure. The dilution that results from the presence of dozens of channels translates into weaker audience reach, meaning, TvB says, that "advertising on cable (is) targeting for failure."

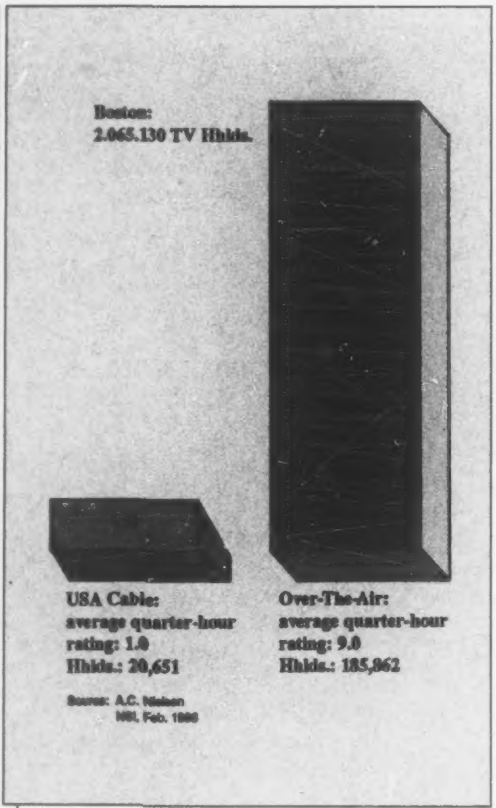
ABC-TV was the next to make its pitch. It recently canvassed ad agencies in New York and Chicago to present its picture of cable, an attack which included some of the same points addressed in the TvB booklet. ABC also impugned the originality of cable programming and went so far as to question whether cable makes sense even as a supplemental advertising buy.

Many agency buyers express a lukewarm response to ABC's presentation. "It's nothing new," says Dick Hobbs, vice president and media director for Chicago's Leo Burnett agency. BBDO's Grubbs adds: "We've been looking at (information like) this for five years."

Many feel that broadcast interests are just late at jumping into a game that sellers of cable and syndication advertising have been at for years. "They were slow to react to syndication," says Jon Mandel, vice president and associate media director of Grey Advertising. "They are slow in reacting to cable." Betsy Frank, senior vice president and associate director of media research for Saatchi & Saatchi DFS Compton, comments that 'it was as if a giant has awakened realizing that someone has stolen the food out from under him."

Soon CBS-TV will come knocking at agency doors. It was planning to release a study on Dec. 15 called the "Cable Fable." David Poltrack, CBS senior vice president of planning and research, says the study in part will focus on lower cable network cumes versus broadcast network cumes. A cume is a measure of how many homes watch a channel at least once a week.

The number and quality of cable network viewers, Poltrack says, can differ greatly as compared with a broadcast network. On average, he



says, networks clear 98 percent of the country, with cumes averaging 80 percent to 85 percent. By comparison, cable networks not only have smaller clearances but also have far lower cumes in their respective universes. Citing some recent numbers, Poltrack says CNN's prime time cume is around 16 percent; WTBS pulls in with a 32 percent cume, USA does a 24 while ESPN scores a 28 cume.

"That relatively small universe of viewers is not going to look like the universe of subscribers," Poltrack says—a subscriber universe that cable typically sells as upscale and educated. He says the broadcast networks, whose cumes approach clearence levels, deliver audiences that are more demographically reliable for the advertiser.

According to Gerry Jaffe, NBC vice president of research projects, many cable network audiences probably are much older than the programmers claim. This is especially true of WTBS, CNN, Headline and CBN, he says. But one ad agency buyer says that many on Madison Avenue already know this and buy cable with that understanding.

Geographically, Poltrack says, cable doesn't neatly overlay into areas that advertisers say they are missing due to broadcast network underdelivery in cable homes. With penetration levels quite different from market to market, he says, "it's not going to fill in the gaps very nicely." He also says cable tends to be stronger in rural and suburban areas, known as "C" and "D" counties.

No doubt cable has the networks beat when it comes to efficiency, says Poltrack—CPMs (cost per thousand viewers) are indeed lower. But networks can offer some competitively price CPMs on some daytime shows and in other weak dayparts, he says. For example, he notes that while cable says its CPMs are 50 percent less than a network in prime time, an ad on a daytime network show can be had for half of the CPM cost of a prime time spot.

Broadcasters also take exception to cable's penchant for lumping all cable networks together in showing the industry's strengths. In the TvB piece, USA is singled out, perhaps because of its wide distribution and programming strength. TvB paints a picture of uneven viewership by claiming that USA's cumes range from a high of 34 percent in Hartford-New Haven to a low of 10 percent in Sacramento-Stockton. TvB also picks on ESPN's programs: "The question arises... as to how many sports enthusiasts tune into women's double volleyball games, professional arm wrestling and/or tractor pulls," says the document.

As expected, CAB President Robert Alter doesn't take too kindly to these charges, saying most are distorted. First, he says it never has been CAB's contention that advertisers should divert all their budgets from the networks, and he says that's the perception that ABC and TvB seem to be implanting.

On the question of coverage, Alter shoots back that "advertisers do not buy to reach 98 percent of U.S. households." Instead, he says, they buy a schedule of spots reaching certain audience segments across the entire television universe—over-the-air and cable.

On the matter of clearances and cumes, Alter says that while cumes for cable networks generally are lower than over-the-air networks, that's not true for every station in every market. He claims that one TvB example is particularly distorted, showing USA with a 1 average quarter-hour rating in the Boston ADI compared to a 9 average quarter-hour rating by a TV station in the same market. Alter says the 9.0 rating is by Boston's top outlet, WCVB-TV, which is far above the average of Boston stations. Alter says USA's ratings actually surpass some smaller-market stations in the Boston ADI.

What about the charge that cable's reach is much greater in rural and suburban areas? Alter says that has been changing for some time as cable penetration rose in more urban areas. In 1987, according to CAB, there were 15,649,000 subscribers in "A" (urban) counties, 14,943,000 in "B" counties; 7,596,000 in "C" counties and 5,021,000 in "D" (rural) counties. But that is somewhat distorted, says Gerry Jaffe, vice president of research projects at NBC. He says that basic-only subscribers are more prelavent in "C" and "D" counties.

Some advertisers say these attacks have scored some good points for the networks. Bill Croasdale, senior vice president and director of network programming for Backer Spielvogel Bates, says that it makes sense to compare each media on a like-to-like basis. "The networks are saying, 'hey, if you are going to look at these alternative medias, use the same criteria.'" He adds that "it is a very well thought out presentation. But it is biased." He is recommending that his staff take a closer look at ABC's presentation once it is released.

Cable isn't the lone target of broadcasting's advertising counterattack. Syndication also is in the sights of network marketers, especially those advertisers who for years have been beating the networks over the head on the subject of advertising clutter. ABC's 3 1/2 minutes of network ad time per hour pales by comparison to, for example, *Wheel of Fortune* with eight commercial minutes per half-hour—one minute of national ads and seven minutes of local spots. Even when adding the extra minute or two of local station avails, networks compare favorably.

USA CABLE NETWORK LOCAL WEEKLY CUMES

MARKETS	WEEKLY CUME
•New York	23.0%
•Los Angeles	15.9%*
•Chicago	17.3%
•Houston	18.1%
•Cleveland	16.2%
•Atlanta	18.1%
•Phoenix	10.9%
•Sacramento-Stockton	10.0%
•Hartford-New Haven	34.1%
•Milwaukee	12.5%
•Memphis	12.5%
•San Antonio	16.8%
•Louisville	20.4%
•Jacksonville	19.7%
•Knoxville	16.8%
•Rochester	18.0%
•Spokane	14.0%
•Chattanooga	18.8%
•Tucson	13.3%
•Youngstown	26.5%
•Baton Rouge	26.2%
•Las Vegas	10.4%
•Ft. Myers-Naples	24.3%
•Ft. Wayne	14.2%
•Peoria-Bloomington	21.7%
•Amarillo	15.5%
•Tallahassee-Thomasville	21.4%
•Macon	23.4%
•Lubbock	13.9%
•Bend	25.7%

*Reads: In Los Angeles, a maximum of only 15.9% of TV households view the USA Cable Network for five minutes or more in the course of the week.

Source: Weekly cumes: A.C. Nielsen, February 1988.

While most of the information is old news to most experts, there are some new elements. BBDO's Grubbs says ABC made the point that buying ABC News can be just as targeted, if not more so, to certain viewers than cable news shows. He says that on some product purchase indexes, the networks still do better than cable. For instance, networks could link a news audience more closely to those who buy stocks. This is to combat cable network advertisers who push targeting of audience and products.

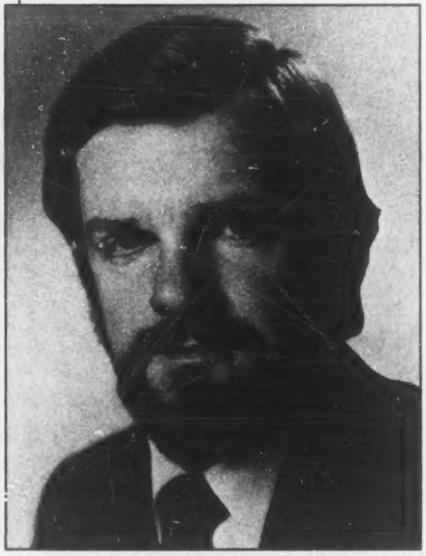
There is no doubt an advertiser can target his audience by buying time on a broadcast network, but at what price? Rich Forester, director of network programming for Ketchum Communications, says that if an advertiser can trade, say, 10 spots on CBS for 100 on cable from time to time, then why not? "They are taking some audience, so why not throw them a couple of bucks," he says.

A couple of bucks isn't enough, says Lloyd Werner, senior vice president of advertising sales and marketing for Group W Satellite Communications, which sells The Nashville Network as well as Home Team Sports. When cable delivers 20 percent of the viewers, drawing around 10 percent or less of the $10 billion national advertising market isn't enough, he says.

"Cable is not really selling as well as they could," says Willard Hadlock, executive vice president of media services for the Leo Burnett agency. This exists in part, he says, because of the perception of cable's small ratings. "Big ratings are worth more money per rating point than little ratings" to some advertisers, he says.

This big/small ratings argument has abated over the last few years as cable networks have seen advertisers gradually devoting a bigger portion of their budgets to cable. However, some industry experts say cable needs to continue pushing the "environment" sell and not just its ratings. The complaint of the CAB has been just that, according to one cable marketer. "What you are seeing (by the broadcast groups) is a number (sell). We are a display enviroment," the cable marketer says. "When you put your attention on numbers you are vunerable." That is what the networks are picking on.

Advertisers say these new strategies won't change their minds on the proper mix of cable, syndication and network dollars—unless, of course, network prices drop as a result. Right now that's not happening, so advertisers will continue to play with budgets, apportioning advertising across many television avenues in many shapes and sizes. "There are a million ways to look at it," says Ketchum's Forester. "We all have to start calling it television." ■


CBS Senior Research V.P. David Poltrack

NOTES

Telncom Production

Telncom Production Co. is in business from Carson, Calif., offering programs, promotional and research services for cable and other industries. The firm's first project is *Video Guide*, a weekly compilation of home video trailers and reviews. Telncom will syndicate the program initially to cable franchises accessing about 5.6 million subscribers.

Lifetime

Lifetime will launch an extensive "Your Family Matters" public service campaign next month, spotlighting issues affecting the quality of American family life. Specials, local outreach activities, informational messages and other formats will be used, beginning with *Hush Little Baby: The Challenge Of Child Care*, a documentary hour Jan. 23. Lifetime will produce a survey on the subject that will run in 20 national magazines during early 1989, compiled with the Child Care Action Campaign and Great American Family Tour. Results will be mailed to the White House and released next May. Future campaign topics include the homeless and substance abuse; Dennis Lofgren will executive produce the opening special.

ESPN

ESPN will continue to cablecast the U.S. Olympic Festival through 1991, under a three-year contract extension granted by the U.S. Olympic Committee. The annual multisport event (not held in Olympic years) has been a network feature since 1985; about 3,000 athletes will compete in 36 sports next July in Oklahoma City. The dollar value was not released. ESPN is expected to devote at least 30 hours of coverage per year, with Jed Drake serving as coordinating producer.

The Discovery Channel

Testament: The Bible & History will be The Discovery Channel's keynote holiday presentation. Archaeologist John Romer narrates explorations on the social, economic and religious conditions when the Good Book was written. The first of seven hour-long segments will debut Dec. 28.

Nick At Nite

Ralph Bakshi's *Tattertown* series premieres on Nick At Nite Dec. 21. The animator's first made-for-cable venture originates from a world where everything inanimate lives, from talking telephones to a roller-skating shoehorn. Also, VH-1 will present *Salute To The American Songwriter* Jan. 7, based on the National Academy Of Songwriters' annual event. Carole King, Kenny Loggins and Los Lobos will be performing; Kathryn Kinley will host.

TNT

Lea Thompson, Melinda Dillon and Joe Pantoliano have joined the cast of *Nightbreakers*, coming to TNT next March. Martin Sheen and Emilio Estevez star in the atomic testing-themed drama, which will be directed by Peter Markle (*Bat 21*).

Prism

Prism will go where few regional services tread next month—original comedy. *TV With The Plenzicks* eavesdrops on the actions of a typical media-minded American family.

Continued on page 31

NBC's cable gamble for the Olympics

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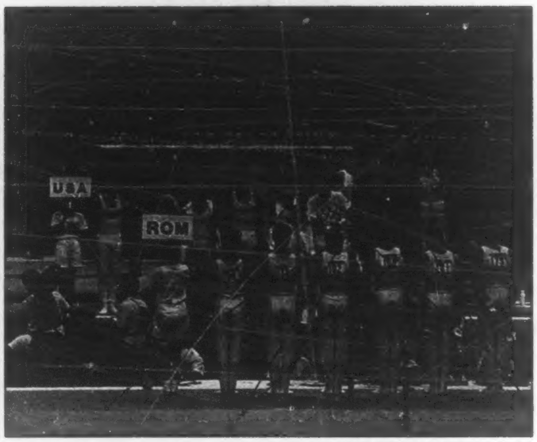

COURTESY NBC SPORTS

The Romanian and U.S. men's gymnastic teams go for Seoul '88 gold.

NBC was the surprise winner of U.S. TV rights to the 1992 Summer Olympics in Barcelona, Spain. But few are shocked that NBC will be selling off part of the package to cable, the details of which were expected soon afterwards.

NBC's record $401 million bid had cable in mind from the start. "Without cable revenues, we would have not been able to bid as much," said NBC President Robert Wright, who noted that the cable value of the package will be significant. Experts say it's in the $50 million to $75 million range.

One industry analyst believes CNBC, NBC's new sports and business cable channel, probably is out of the running for the cable package because the parent company is not about to deficit finance the Olympics for its budding cable channel when it can grab revenue from established sources. "I can't see them doing something with CNBC. They can get SportsChannel to overpay because Chuck Dolan wants to be a big player," the analyst said. NBC reportedly has been talking with Rainbow Program Enterprises and TBS about partnering for a baseball contract.

Richard Pound, vice president of the International Olympic Committee who handles sales of U.S. television rights, said complaints of NBC's handling of the Seoul telecast, in which the network jumped from event to event, helped cable figure into the picture this time around. Would cable then be able to participate in the Olympics as a separate entity in the next bidding process? "Maybe," Pound said. "This is the first step."

Cable programmers have made it clear they won't accept less popular Olympic sports. "The key is not the number; the key is quality," said Dave Kenin, senior vice president of programming for USA Network. Wright agrees: "Cable is obviously not interested in second-tier events. We are sensitive to that," he said, adding that "you have two audiences (cable and network). You have to provide high quality to the commercial side."

NBC lost $10 million on the Seoul event, which received an average 17.8 Nielsen rating in prime time, down 13 percent from the 20.5 rating it guaranteed advertisers.

There are doubts, even considering the cable selloff, that NBC will be able to make money this time around. "We didn't go into this to lose money," said Wright. At the same time, he adds, "It is not designed to earn us a lot of money." ■

—Wayne Friedman

Top Ten Basic Cable Sports Programs November 21-November 27

	Date	Net	Program	Rating	Homes
1.	Nov. 27	ESPN	NFL: Giants-Saints	10.6	5,268,000
2.	Nov. 24	ESPN	CFA: Texas A&M-Texas	4.3	2,137,000
3.	Nov. 27	ESPN	SportsCenter	3.8	1,889,000
4.	Nov. 22	WTBS	NBA: Lakers-Knicks	3.5	1,658,000
5.	Nov. 27	ESPN	NFL Primetime (7-8 PM)	3.3	1,640,000
6.	Nov. 26	ESPN	CFA: Florida-Florida State	3.3	1,640,000
7.	Nov. 25	ESPN	Big Apple NIT: Missouri-Syracuse	3.2	1,590,000
8.	Nov. 23	ESPN	Big Apple NIT: Syracuse-Indiana	2.5	1,243,000
9.	Nov. 25	ESPN	Maui Classic: Oklahoma-Ohio State	2.4	1,193,000
10.	Nov. 27	ESPN	NFL Gameday (11:30-12:30 PM)	2.4	1,193,000

Systems gain price parity with stations

◆◆◆◆◆◆

By Virginia Munger Kahn

TOP CABLE SYSTEM TRANSACTIONS BY PRICE

ANNOUNCED/ CLOSED DATE	SIZE	MARKET	BUYER	PER SUB	PRICE
7/87	140,000 subs	Atlanta	Bass/Prime	$2,160	$303,000,000
12/87	131,000 subs	Baltimore	Comcast	$1,980	$259,000,000
3/87	228,000 subs	New York	ATC	$1,100	$251,000,000
1/86	118,000 subs	San Jose	Heritage	$1,900	$224,000,000
4/88	71,000 subs	Prince George's, Co.	ML Media	$2,700	$192,000,000

TOP TV STATION TRANSACTIONS BY PRICE

ANNOUNCED/ CLOSED DATE	TYPE	CALL LETTERS	MARKET	BUYER	PRICE
10/88	VHF/IND	KTLA	Los Angeles	Tribune	$510,000,000
4/86	VHF/IND	WWOR	New York	MCA	$387,000,000
4/87	VHF/CBS	WTVT	Tampa	Gillett/ McKee	$365,000,000
Pend/88	VHF/IND	KHJ	Los Angeles	Disney	$324,000,000
3/88	VHF/CBS	WTVJ	Miami	NBC/GE	$270,000,000

Source: Frank Boyle & Co. Transaction Database

Two years ago, MCA sent ripples of excitement through the broadcasting industry when it paid RKO $387 million for independent WWOR-TV New York. Four months ago Cablevision Systems' Chuck Dolan paid an estimated $350 million for a single cable system on suburban Long Island.

The New York Times Co. likely will get more than $400 million for its single cable system in Cherry Hill, N.J. At that price, NYT Cable would become not only the highest-priced cable system ever sold; but also it would beat out all previous television station sales, except for the KTLA-TV Los Angeles purchase by Tribune three years ago.

The advent of price parity between large cable systems and television stations in medium and large markets is relatively new. Only a few years ago there were few cable systems with more than 150,000 subscribers. Cable multiples were probably a good two to three points below those for network affiliates and that meant that a system worth more than $100 million was rare.

All that has changed now. While industry observers disagree about the significance of the phenomenon, the bottom line is that individual cable system prices are surpassing the prices of stations in secondary markets and are gaining on the values of stations in the biggest, most visible markets.

James Boyle, vice president at broadcast/cable broker Frank Boyle & Co., says the phenomenon first hit him when he heard rumors that Maclean Hunter, the Canadian media firm, had been approached with a $3,000 per subscriber offer for its East Orange, N.J., complex. At that rate, the suburban New York property, which serves more than 203,000 subscribers, would have been worth more than $600 million. "That would have beaten KTLA," he says he thought to himself, "and (the offer) was turned down!"

"It makes you realize how valuable the larger systems are," Boyle continues. He notes that many transactions on the list of biggest individual system sales are so-called "captive" deals; that is, they were done by a parent corporation and a subsidiary. As such, they probably were done at the lower end of the price spectrum.

That list will change in the future, Boyle contends, as cable operators seek to gain control of advertising markets—DMAs or ADIs in Madison Avenue lingo. "New York Times Cable is just the first of many," he says. The result will be to make it increasingly difficult for companies such the New York Times or Maclean Hunter to hold on to their individual properties.

Take, for example, the Fairfax

County, Va., system owned by Media General. The large, stand-alone system serves about 160,000 subscribers. According to estimates provided by John Kornreich, general partner at Sandler Associates, considering that the system likely will serve 200,000 customers five years from now, that it will generate at least $50 million in cash flow at that point and command a 14 times multiple because of its excellent demographics in the suburbs of Washington, D.C., the system by then should be worth some $700 million. Today's value would put it in the range of more than $400 million.

In comparison, Boyle notes, Gannett's WUSA-TV Washington—the best-performing property in the market with an estimated $37 million in cash flow next year—probably is currently worth $410 to $445 million using multiples of 11 and 12.

Similarly, the combined ATC/Paragon systems in Manhattan, which serve more than 380,000 subscribers, probably are worth about $876 million today using a $2,300 per subscriber valuation. At the same time, the ABC affiliate in New York, which serves an even broader population, would command a price of $1 billion plus, Kornreich estimates.

The San Diego system owned by Cox Cable Communications is another example of the premium large properties can command. At $3,000 a subscriber, that system would be worth $900 million. In comparison, George Gillette currently is rumored to be trying to sell KCST-TV San Diego, an NBC affiliate owned formerly by Storer Communications, for about $300 million.

What has changed in the last three years to make cable systems competitive with large television station sin price are a number of fundamental factors, including the increasing size of individual cable systems, their increasing revenues and cash flows, the forward march in multiples in cable and a stagnating or slight decline in broadcast multiples.

As Boyle notes, while eight years ago there were only one or two systems with 150,000 subscribers, today there are 21 properties classified as single systems with at least that many subscribers. That means at a conservative $2,000 a subscriber, each of those systems is worth $300 million or more, putting them on par with the biggest television station deals.

Even two or three years ago, large clusters of cable subscribers were as valuable or more valuable than local broadcast stations, contends Paul Kagan, media analyst and publisher at Paul Kagan Associates. He notes that when the Dallas cable system was sold by Warner Communications to Heritage Communications, its $115 million price tag put it on equal footing with television stations in that market. "One thing it says is if you cluster cable in one area, you create a media property with as much clout as a newspaper (property)," says Kagan.

It is in the comparison among broadcast, cable and newspaper properties that the significance of the growth in cable values becomes apparent. Historically, newspapers have been valued at the top of the media heap because of their quasi-monopoly status in the market. Not surprisingly, cable—which bears some of the same characteristics—is beginning to approach those lofty levels.

SOLD

September, 1988

SISSON VIDEO COMMUNICATIONS, INC.
has sold its cable television assets serving southeastern Missouri to

DOUGLAS COMMUNICATIONS MID-SOUTH LIMITED PARTNERSHIP

The undersigned represented Sisson Video Communications, Inc. in this transaction.

HPC Hardesty, Puckett & Company
COMMUNICATIONS BROKERAGE AND INVESTMENT BANKING

SAN DIEGO OFFICE
16236 San Dieguito Road
Bldg. 3, P.O. Box 9063
Rancho Santa Fe, CA 92067
(619) 756-4344

MIDWESTERN OFFICE
2947 Wanamaker Drive, Suite D
Topeka, KS 66614
(913) 273-0017

DEMOGRAPHIC AND GEOGRAPHIC FIT

Most cable brokers use computers to assist in preparing financial projections. At Charles Greene Associates, we also use computers to obtain and analyze demographic information, and to identify potential buyers and acquisition candidates.

Our "Cable TV Systems and Owners Data Base" contains over 9,700 cable TV systems together with owner information. We believe our data base has about 1,300 more systems than any other in the nation. We update it daily. When our role is to represent a seller, we use this tool to do a geographical search for potential buyers, those who might be of interest because they operate systems near our client's. In addition, a search is made using numerous buyers' acquisition criteria, which is also stored in our computer. In representing buyers, we use the computer to locate acquisition candidates that match our client's criteria. We reduce searching time to minutes.

Our industry pays close attention to demographics and the effects various characteristics have upon cable service marketing. We offer clients access to one of the most current and complete computerized demographic data bases available. Population, housing, income and other data can be accessed by city, county, census tract and even zip code. Historical, current and projected data is available. Using our programs, demographics for selected areas can be compared to data for the U.S., other cities, and so forth.

Charles Greene Associates is constantly striving to give its clients the most complete and comprehensive brokerage and financing services available to the industry. Using computers and maintaining our Cable TV Systems and Owners Data Base are just two more ways to meet that goal.

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The most significant factor in the increasing competitiveness of cable system prices is the inexorable increase in revenues and cash flows that has accompanied the consolidation of the industry into larger systems.

"We've crossed the point now where in general cable multiples are higher than TV stations," says Kornreich. The phenomenon is unusual, he says, because cable cash flows often fail to reflect the fact that some of that money must go to capital improvements, while broadcasting cash flow numbers are unfettered by other commitments.

Knowing exactly where broadcasting multiples are now is somewhat problemmatic, however. There are a large number of stations on the market—an estimated 40 network affiliates—and while asking prices have not budged, buyers have been unwilling to pay up for the properties. "There's a dance going on," says Martin Pompadur, general partner at ML Media. "While multiples are staying up, there's possible adjustments on the way," he says. Howard Stark, a leading broadcasting broker, pegs the current station market at 10 times current cash flow even though buyers are still asking for 13 times.

Others contend that multiples for good broadcasting properties continue to hold at 12 to 14 times, the same multiples commanded by good cable properties.

The trends, however, are in cable's favor. While cable currently is experiencing a wave of selling activity equal to that in the broadcasting industry, most executives predict cable multiples will hold in the 12 to 14 range. In contrast, broadcasting multiples will be under continuing pressure. Multiples for network affiliates will drop by a point or more to 10.5 to 12 times in the near future, predicts Pompadur.

The problem in the broadcasting industry is both short-term and long-term. In the short-term, there is disappointment over this year's results, which were supposed to be helped by advertising from the Olympics and the presidential race. As a result, potential investors are looking at 1989 with conservative projections. Longer term, investors continue to have doubts about the future growth of the business.

Figures released by Veronis Suhler & Associates in a yearly review of entertainment and media companies bear out that concern.

While cable television experienced its highest revenue growth rate in three years last year (34.1 percent), revenue growth in broadcasting has continued sluggish at 7.5 percent.

Significant factors in cable's continuing revenue growth rates are not only consolidation of the industry into increasingly large blocks of properties, but also the ability to generate revenues from new sources such as pay-per-view and local advertising.

According to figures compiled by Morgan Stanely & Co., while buyers in the last two years have been willing to pay $2,000 to $2,200 per viewer for a network affiliate, this year the figure is expected to drop. Steven Rattner, managing director at Morgan Stanley, admits the measure is not "perfect," but he says "it clearly indicates the growing value of cable systems. That people are willing to pay more for a cable subscriber than a television station viewer is significant."

Despite the numbers, several industry observers downplay the whole significance of the increasing price competitiveness of single cable systems versus individual television station. Kagan characterizes the issue as nothing more than an arithmetic point. The increasing price of cable systems is "a function of subscriber revenue and profit growth" that is faster in cable than in broadcasting, he notes. "It's not a surprise at all that a cable system that covers a large market would get a price like a TV station," he says.

Fred Seegal, managing director at Shearson Lehman Hutton, says the comparison "doesn't mean anything." He points to the implied value of the Prime Cable system in Atlanta at $600 million as superior in price to any one television station, but inferior to all the TV stations in the market. "They're still worth more because they generate more cash flow and revenue," he says, referring to the TV stations.

Yet, even Kagan admits that in the future cable system prices on an absolute basis likely will surpass the prices garnered by major television stations, solely as a function of their increased revenues and cash flows. Says broker Boyle, "It will take two or three deals before the financial community sits up and takes notice as to how valuable these individual systems are." At that point, not only will companies such as The Washington Post and Knight-Ridder, which have cable holdings as a peripheral business, take on a new complexion, but the whole cable business takes on a new lustre.

In a year or two, individual cable system prices will surpass those of TV stations, predicts Boyle, and "we'll be coming up to newspapers, which would confirm cable at the top of the heap of media values." ■

ACQUIRED

October, 1988

BRESNAN COMMUNICATIONS, INC.

has acquired the cable television assets serving 5,800 basic subscribers in the city of Jesup, Georgia and McIntosh, Wayne and Camden Counties in southeast Georgia from

MICROWAVE TV, INC.
And Affiliated Companies

The undersigned represented Bresnan Communications in this transaction.

HPC
Hardesty, Puckett & Company
COMMUNICATIONS BROKERAGE AND INVESTMENT BANKING

SAN DIEGO OFFICE
16236 San Dieguito Road
Bldg 1, P.O. Box 9063
Rancho Santa Fe, CA 92067
(619) 756-4244

MIDWESTERN OFFICE
2947 Wanamaker Drive, Suite D
Topeka, KS 66614
(913) 273-0017

CABLE STATS

Cable Network Ad Performance

Sept. 1988 billings	Sept. 1987 billings	Year-to-year dollar change	Year-to-year percent change
$64,704,202	$55,934,978	$8,769,224	13.5%

Top 10 cable net sponsors/Sept. 1988

1. Procter & Gamble	$2,943,515	6. Philip Morris	$1,080,543
2. Anheuser-Busch	2,224,071	7. Unilever	1,036,778
3. General Mills	1,875,395	8. RJR Nabisco	996,384
4. Mars Inc.	1,191,543	9. Dow Chemical	898,040
5. Time Inc.	1,159,896	10. Eastman Kodak	775,383

Top 10 sponsors/3rd Quarter 1988

1. Procter & Gamble	$7,441,988	6. Eastman Kodak	$3,370,883
2. Anheuser-Busch	6,234,644	7. RJR Nabisco	3,220,872
3. Time Inc.	4,980,018	8. Unilever	2,901,952
4. General Mills	4,793,001	9. Clorox	2,659,285
5. Philip Morris	3,626,613	10. Dow Chemical	2,420,190

Source: Broadcast Advertising Reports data; figures represent combined billings of CBN, CNN, ESPN, MTV, USA and Superstation TBS

	3rd Qtr. 1988 billings	3rd Qtr. 1987 billings	Year-to-year dollar change	Year-to-year percent change
CBN	$17,675,984	$16,955,006	$ 720,978	4%
CNN	24,765,695	18,958,404	5,807,291	23.4%
ESPN	34,746,816	27,633,831	7,112,985	20.4%
MTV	27,167,811	23,891,695	3,276,116	12%
USA	30,047,360	21,434,988	8,612,372	28.6%
TBS	52,142,880	42,585,349	9,557,531	18.3%

Source: Broadcast Advertising Reports data

Subscriber Universe Estimates

	Total TV households	Cable TV households	Cable percent of TV households
A.C. Nielsen	90,400,000	48,636,520	53.8%
Arbitron	90,000,100	46,627,100	52.5%
Paul Kagan Associates	88,970,000	44,030,000	49.4%

Subscriber numbers as of Nov. 1988
Nielsen figures include Alaska and Hawaii

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Comunications Inc.	5,182,790	(8/88)
2.	American Television & Communications Corp.	3,900,000	(12/88)
3.	Continental Cablevision.	2,228,000	(4/88)
4.	Storer Cable Communications.	1,488,534	(5/88)
5.	Warner Cable Communications.	1,471,766	(9/88)
6.	Cox Cable Communications.	1,441,849	(5/88)
7.	Comcast.	1,383,724	(3/88)
8.	UA Cablesystems.	1,339,729	(10/88)
9.	United Cable.	1,210,426	(5/88)
10.	Viacom Cable.	1,097,000	(6/88)
11.	Jones Intercable.	1,080,325	(12/88)
12.	Newhouse Broadcasting.	1,078,336	(6/88)
13.	Cablevision Systems Corp.	1,073,822	(11/88)
14.	Heritage Cummunications.	1,057,541	(5./88)
15.	Times Mirror Cable TV.	933,541	(4/88)
16.	Sammons Communications.	841,687	(5/88)
17.	Century Communications.	715,000	(8/88)
18.	Paragon Communications.	677,400	(4/88)
19.	Adelphia Communications.	672,836	(11/88)
20.	Cooke Cablevision.	625,000	(8/88)
21.	Falcon Cable TV.	611,490	(9/88)
22.	Cablevision Industries.	600,870	(11/88)
23.	Centel Cable.	558,399	(11/88)
24.	Telecable Corp.	545,361	(8/88)
25.	Rogers Cablesystems Inc.	529,708	(12/87)
26.	Scripps-Howard.	475,068	(8/88)
27.	Wometco Cable TV.	429,662	(5/88)
28.	Prime Cable.	422,442	(5/88)
29.	Tele-Media.	411,037	(11/88)
30.	Post-Newsweek Cable.	391,000	(8/88)
31.	Multivision Cable TV.	381,627	(4/88)
32.	WestMarc Communications.	349,303	(12/88)
33.	Lenfest Group.	347,351	(11/88)
34.	TCA Group.	337,999	(7/88)
35.	Maclean Hunter Cable TV.	322,225	(4/88)
36.	Multimedia Cablevision.	313,167	(4/88)
37.	Rifkin & Associates.	300,200	(5/88)
38.	Colony Communications.	262,457	(6/88)
39.	Western Communications.	259,396	(6/88)
40.	TKR Cable.	251,056	(7/88)
41.	Star Cablevision Group.	245,950	(6/88)
42.	Simmons Communications.	237,000	(11/88)
43.	Cencom Cable.	231,265	(10/88)
44.	Communications Service Inc.	225,000	(4/88)
45/	Service Electric Cable TV Inc.	220,000	(8/88)
46.	Taft Cablepartners.	207,880	(6/88)
47.	Hauser Communications.	199,141	(4/88)
48.	Greater Media.	170,558	(6/88)
49.	Harron Communications.	164,389	(5/88)
50.	Media General.	164,200	(6.88)
51.	Columbia International.	161,243	(4/88)
52.	Sutton Capital Group.	158,463	(8/88)
53.	U.S. Cable Corp.	146,242	(6/88)
54.	Armstrong Utilities.	146,203	(5/88)
55.	McDonald Group.	142,548	(4/87)
56.	Palmer Communications.	142,084	(11/88)
57.	Triax Communications.	141,000	(6/88)
58.	Insight Communications.	140,000	(8/88)
59.	Northland Communications.	133,602	(12/88)
60.	Cable Systems USA.	132,462	(11/88)
61.	Summit Communications.	130,108	(6/88)
62.	Sonic Communications.	116,656	(6/88)
63.	King Videocable.	116,086	(5/88)
64.	Bresnan Communications.	115,227	(8/88)
65.	Booth Communications.	111,000	(8/88)
66.	Susquehanna Broadcasting.	108,486	(6.88)
67.	Midcontinent Cable Systems Co.	102,672	(8/88)
68.	United Video Management.	97,000	(8/88)
69.	Omega Communications.	90,500	(3/88)
70.	Coaxial Communications.	90,363	(8/88)
71.	WEHCO Video.	90,038	(8/88)
72.	Pencor Services.	87,077	- (8/88)
73.	Selkirk Communications.	74,428	(8/88)
74.	Rock Associates.	67,802	(5/88)
75.	Chanbers Communications Corp.	63,000	(9/88)
76.	Cardinal Comunications.	58,000	(8.88)
77.	Gilbert Media.	58,000	(8/88)
78.	Douglas Communications.	58,000	(11/88)
79.	Hearst Communications Of California.	56,090	(8/88)
80.	C-TEC Cable Systems.	53,836	(10/88)
81.	State Cable TV.	52,939	(3/88)
82.	Joseph Gans Cable TV.	52,000	(4/88)
83.	Galaxy Cablevision.	50,473	(11/88)
84.	Helicon Corp.	50,000	(3/88)
84.	Telesat Cablevision Inc.	50,000	(10/88)
85.	New England Cablevision.	49,586	(6/88)
86.	Bachow & Elkin Communications.	49,142	(6/88)
88.	Prestige Cable TV Inc.	48,434	(5/88)
89.	Donrey Media Group.	45,869	(5/88)
90.	CableAmerica.	42,337	(5/88)
91.	Leonard Communications.	42,178	(5/88)
92.	Eastern Connecticut Cable TV.	41,444	(9/88)
93.	CableSouth Inc.	41,390	(5/88)
94.	Fanch Communications.	41,000	(11/88)
95.	James Cable Partners.	38,857	(9/88)
96.	Star Cable Associates.	36,633	(10/88)
97.	Acton Corp.	38,500	(12/87)
98.	ParCable.	35,210	(9/88)
99.	Countryside Cable.	35,00	(2/88)
100.	Mickelson Media.	30,611	(7/88)

Subscriber counts are provided by MSOs and systems to Cable Vision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 432 park Avenue So., Ste 1010, New York, NY 10016.*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	309,135	(12/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	245,000	(3/88)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
6.	Puget Sound, WA	Viacom	203,000	(6/88)
7.	Phoenix, AZ	Times Mirror	200,000	(10/88)
8.	Honolulu, HI	ATC	194,000	(3/88)
9.	Houston, TX	Warner	189,104	(6/88)
10.	Hartford/Plainville/Vernon, CT	United	172,289	(5/88)
11.	Chicago (suburbs)	Continental	168,000	(4/88)
12.	Wayne, NJ	UA Cablesystems	166,241	(6/88)
13.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
14.	Rochester, NY	ATC	163,000	(10/88)
15.	Englewood, CO	United	161,002	(5/88)
16.	Cincinnati, OH	Warner	158,929	(5/88)
17.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
18.	Fairfax, VA	Media General	157,000	(11/88)
19.	Atlanta, GA	Prime Cable	153,557	(3/88)
20.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
21.	Tulsa, OK	United	152,287	(5/88)
22.	Connecticut Complex	Cablevision Co.	150,694	(12/88)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Orlando,FL	ATC	143,500	(6/87)
25.	San Jose/Campbell, CA	Heritage	137,962	(8/88)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Baltimore County, MD	Comcast	136,096	(6/88)
28.	Manhattan, NY	Paragon	136,000	(4/88)
29.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
30.	St. Louis Co., MO	Cencom Cable	130,068	(11/88)
31.	Charlotte, NC	ATC	128,000	(3/88)
32.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
33.	San Francisco, CA	Viacom	123,000	(6/88)
34.	Pompano, FL	Continental	123,000	(4/88)
35.	Martin/Stuart Co., FL	Centel	125,486	(11/88)
36.	San Diego, CA	ATC	121,000	(3/88)
37.	Long Island, NY	Viacom	120,700	(3/88)
38.	Austin, TX	ATC	119,000	(3/88)
39.	Seattle, WA	TCI	112,500	(12/87)
40.	Warren, NJ	TKR	112,116	(7/88)
41.	Toledo, OH	Blade Communications	108,861	(5/88)
42.	Dallas, TX	Heritage	107,680	(5/88)
43.	Southeast Michigan	Comcast	104,803	(6/88)
44.	San Juan, PR	Multivision Cable	104,757	(12/86)
45.	Grand Rapids, MI	UA Cablesystems	103,661	(6/88)
46.	Wilmington, DE	Heritage	103,255	(5/88)
47.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
48.	Pinellas County, FL	Newhouse	100,614	(6/88)
49.	Tacoma, WA	Viacom	99,000	(6/88)
50.	Raleigh/Durham, N.C.	ATC	98,000	(3/88)
51.	Chicago Suburbs, IL	Centel	98,000	(11/88)
52.	Indianapolis, IN	Comcast	97,790	(6/88)
53.	Escondido, CA	Times Mirror	96,519	(4/88)
54.	Richmond, VA	Continental	95,294	(12/88)
55.	Brooklyn, NY	Warner	95,000	(11/88)
56.	Dade/Broward, FL	Storer	94,577	(5/88)
57.	Boston, MA	Cablevision Co.	93,349	(12/88)
58.	Pittsburgh, PA	TCI	91,000	(12/87)
59.	Nashville, TN	Viacom	90,000	(6/88)
60.	Tampa, FL	Paragon	90,000	(10/88)
61.	Chicago, IL	Group W	89,500	(7/88)
62.	Worcester Complex, MA	Greater Media	89,497	(6/88)
63.	Jackson MS/Monroe LA	ATC	89,000	(3/88)
64.	Milwaukee, WI	Warner	88,126	(5/88)
65.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
66.	Las Vegas, NV	Prime Cable	86,852	(5/88)
67.	Orange County, CA	Times Mirror	86,607	(4/88)
68.	Greensboro, NC	ATC	86,000	(3/88)
69.	Dover/Morristown, NJ	Sammons	82,871	(5/88)
70.	Portland, OR	Rogers	82,587	(6/88)
71.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
72.	Naples, FL	Palmer	81,516	(10/88)
73.	South Bend, IN	Heritage	80,776	(5/88)
74.	Oakland County, MI	United	80,564	(5/88)
75.	New Orleans, LA	Cox Cable	80,348	(3/88)
76.	Independence,MO	Jones	79,897	(11/88)
77.	Baton Rouge, LA	UA Cablesystems	79,586	(4/88)
78.	Albuquerque, NM	Jones Intercable	79,199	(10/88)
79.	Akron, OH	Warner	79,070	(5/88)
80.	Hillsborough, FL	Paragon	79,000	(4/88)
81.	Columbus, OH	Warner	78,454	(5/88)
82.	Indianapolis,IN	ATC	78,000	(3/88)
83.	St. Petersburg, FL	Paragon	78,000	(4/88)
84.	Medford Complex Boston Suburbs, MA	Warner	77,167	(5/88)
85.	South Texas, TX	Heritage	77,160	(5/88)
86.	Fresno, CA	Continental	76,326	(9/88)
87.	Cleveland Heights, OH	Viacom	76,000	(6/88)
88.	Allentown, PA	Service Electric	75,000	(9/87)
89.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
90.	Fayetteville, NC	ATC	74,000	(3/88)
91.	Flint, MI	Comcast	72,923	(6/88)
92.	Little Rock, AR	Storer	72,681	(5/88)
93.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
94.	Omaha, NE	Cox Cable	73,361	(3/88)
95.	Ocean County, NJ	Adelphia	72,355	(3/88)
96.	Pleasant Hill, CA	WestMarc Communications	72,336	(12/88)
97.	Lincoln, RI	Heritage	71,625	(5/88)
98.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
99.	Des Moines, IA	Heritage	70,148	(5/88)
100.	Santa Monica, CA	Century	69,900	(12/86)

NOTE

ONLY THE FOLLOWING PAGES OF THIS

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Cov. 1, Pgs. 4, 20, 38-41, 56

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CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

JANUA[illegible] 2, 1989

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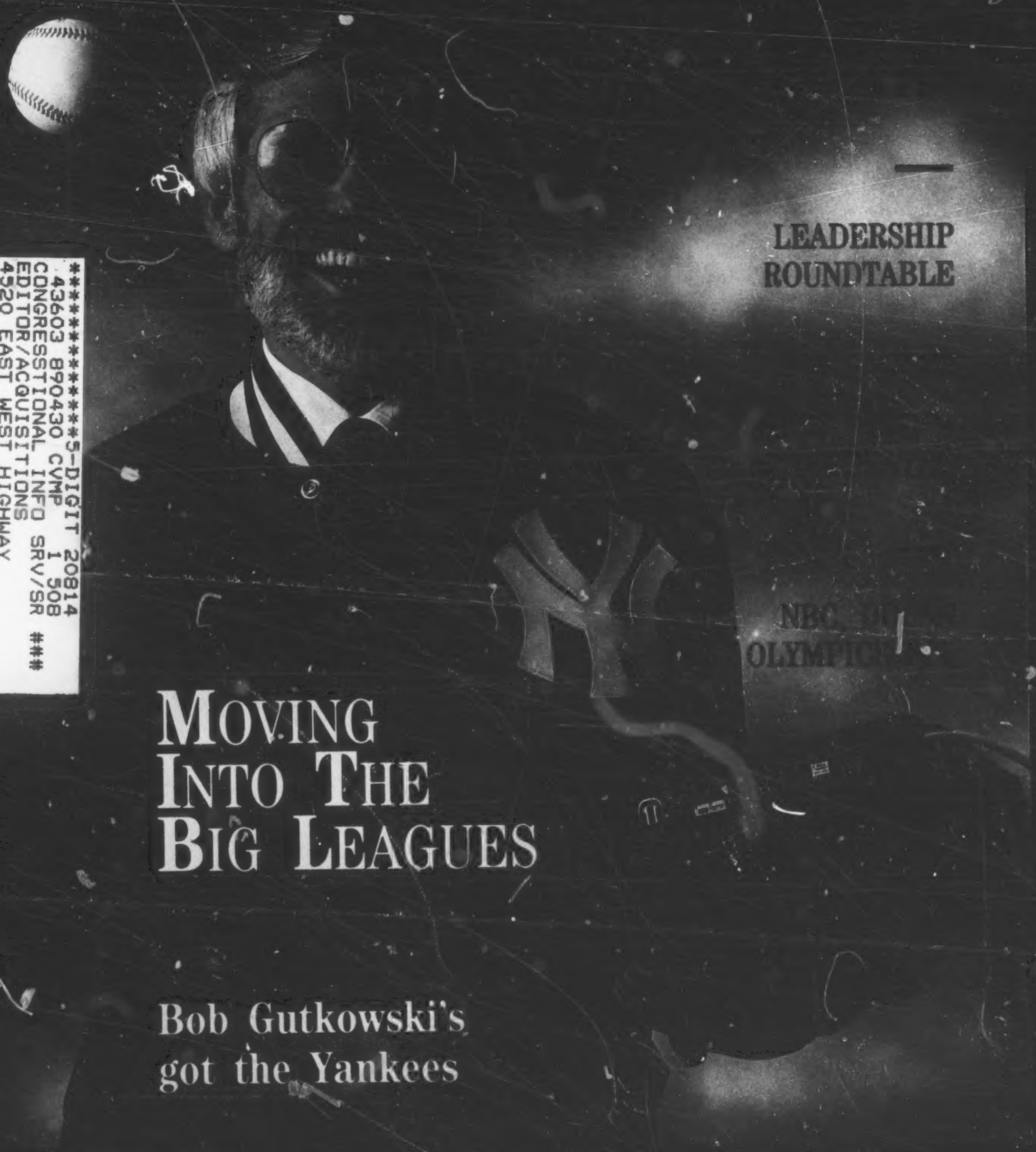

LEADERSHIP ROUNDTABLE

NBC [illegible] OLYMPIC[illegible]

MOVING INTO THE BIG LEAGUES

Bob Gutkowski's got the Yankees

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT JANUARY 2, 1989

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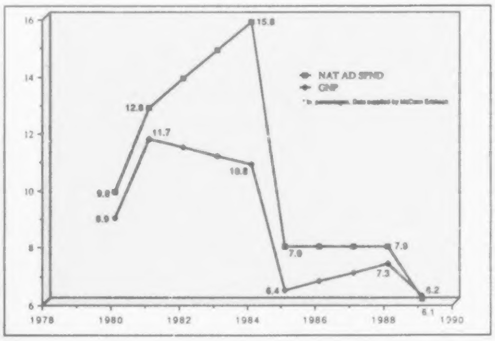

Bad times ahead for the media, with growth in ad spending falling below GNP growth.

38

COVER PHOTOGRAPH

With the Yankees batting cleanup, Bob Gutkowski's MSG lineup looks strong.

Photo by Lou Manna

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ABP BPA

The pros and cons of cable baseball

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CBS Sports exploded cable's fantasy dream when it won the lion's share of baseball's television contract with a $1.1 billion offer for four seasons of exclusive World Series, League Championship Series and 12 regular season games. Sometime this week a contract for four nights of mostly non-exclusive baseball, totalling 150 games, will be awarded to one of four cable programmers: USA Network, ESPN, SportsChannel America or Turner Network Television.

Cable's disappointment comes from not being eligible under Major League Baseball rules for post-season action. Still, to cable programmers the airing of national baseball broadcasts will add prestige to their roster of NFL and NBA games while also supplying programming that carries an inherent promotional value. The downside is that cable baseball won't receive the 10-plus ratings per exposure that ESPN's NFL games have garnered.

Rather, each baseball game might possibly receive ratings of 2.0-2.5. Rich Forester, vice president/director of network programming for Ketchum Communications, doubts even those numbers. He figures that, at most, each cable baseball game will get a 1.5 rating. Baseball, like many other sports, does well with local audiences but not nationally, as the networks have found out.

The bulk of those national exposures will shift to cable, but with no exclusive window for the event. This will further devalue the package, says Forester. Local TV stations and regional sports services will be allowed to run their local games, perhaps with the national cable network blacking out its broadcast in those markets.

Lower ratings don't bother Robert Wussler, TBS senior executive vice president. He sees baseball as an opportunity to grab an established, consistent, highly-promotable product.

David MacDonald, president of NYT Cable, isn't perturbed that cable isn't going to get the playoffs. Cable still needs baseball, he says, because it will offer viewers the convenience of many games and will help expose teams to viewers who watch only their local clubs. "You need more exposure of American and National League teams, and less exposure of local games," he says. As a result, he wouldn't balk at paying an extra surcharge similiar to what operators paid for NFL football on ESPN.

Not everyone agrees that there should be an extra charge for regular season games. John Sie, TCI senior vice president, says there is no specialness with this package, considering the plethora of baseball games already seen on cable over superstations such as WTBS or WGN and on regional sports channels. Therefore, he thinks the cost should be part of a cable network's regular license fee.

From an advertising perspective, Forester thinks at a 1.5 rating, a 30-second spot could be priced at between $4,000 and $6,000. With 55 units per game, a cable network's $6,000 per-spot price would yield revenue of $330,000 a game. For 150 games, that comes out to $49.5 million a year. Therefore, Forester believes cable will pay no more than $50 million a year for baseball, far less than the $75 million to $100 million a year some have been speculating. In addition, $6,000 a thirty is expensive for cable, and there are other, less expensive places for advertisers to find a men's audience. "This baseball (package) isn't going to be special," he says.

—*Wayne Friedman*

Top Ten Basic Cable Sports Programs December 12-December 18

	Date	Net	Program	Rating	Homes
1.	Dec. 18	ESPN	NFL: Rams-49ers	10.1	5,040,000
2.	Dec. 18	ESPN	SportsCenter (11:30-12 PM)	3.9	1,950,000
3.	Dec. 16	WTBS	NBA: Lakers-Celtics	3.6	1,734,000
4.	Dec. 18	ESPN	NFL Primetime (7-8 PM)	2.9	1,450,000
5.	Dec. 18	ESPN	NFL Gameday (11:30-12 Noon	2.4	1,200,000
6.	Dec. 13	ESPN	Top Rank Boxing: DeCruz-Ward	2.2	1,100,000
7.	Dec. 14	ESPN	CFA: Auburn-Vanderbilt	2.1	1,050,000
8.	Dec. 17	ESPN	NCAA-IAA: Furman-Georgia Southern	1.8	898,000
9.	Dec. 17	ESPN	NFL Primetime	1.8	898,000
10.	Dec. 13	WTBS	NBA: Knicks-Nets	1.6	761,000

An immunity to the media flu

◆◆◆◆◆◆◆

By Virginia Munger Kahn

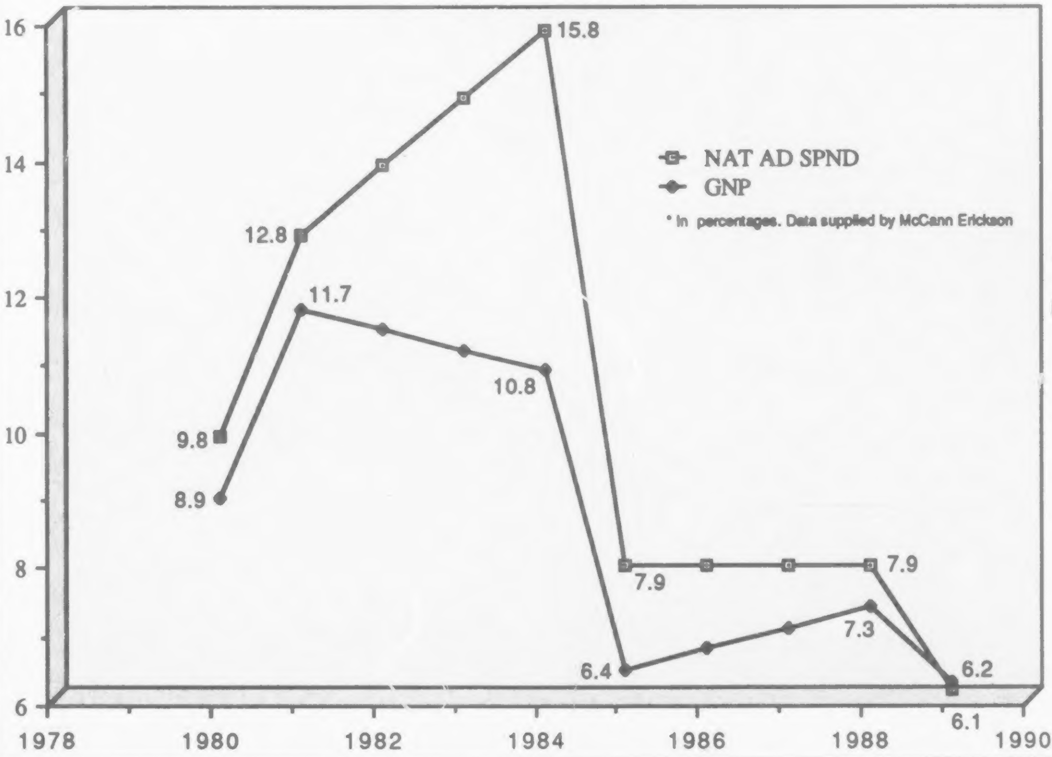
Despite all the hand-wringing about cable's pending problems with reregulation and the telephone companies, one clear message emerged from PaineWebber's marathon MediaWeek sessions in New York: While most of the media—including broadcasting, newspapers and magazines—continue to confront a testy business environment, cable television's recent and near-term performance has been outstanding.

At the root of cable's success this past year, in contrast to the trials and tribulations experienced by broadcasting and newspapers, is its lack of dependence on advertising. Both broadcasting and newspapers were hit badly this year by a slowdown in advertising spending. Nor are the prospects for next year much better. According to Robert Coen, McCann-Erickson director of forecasting, for the first time in 13 years U.S. advertising growth next year probably will fall below the rate of inflation. Lower than average growth in local advertising markets as a result of retailer retrenchment will not offset the normal letdown in ad spending after an Olympic year, he said.

As a result, national broadcast and print advertising budgets are expected to be almost flat next year. In contrast, cable and syndication are expected to continue to post double-digit growth in advertising, although the numbers are off a smaller base.

"From a revenue standpoint, cable still is eating into the business," said Robert Sutton, president of Media General Broadcast Group, in assessing the broadcasting industry's problems this year. "If they (cable) ever learn to sell local, they will be a big competitor."

U.S. National Ad Spending vs. GNP*



* In percentages. Data supplied by McCann Erickson

Percentage growth of National Advertising in 1989 will fall below that of the gross national product, predicts Robert Coen.

MONEY

The contrast between cable and the rest of the media was best summed up by Richard Simmons, president and chief operating officer of The Washington Post Co., who, in describing the diversified media company's results in 1988, said he was saving the best for last. Cable cash flows at The Post Co. are up 75 percent to $50 million since 1985, while revenues on a per subscriber basis are up to $24.29 per month from $18.81 at the time of the cable system acquisition.

In a presentation kicking off the cable segment, Comcast Vice Chairman Julian Brodsky noted that in general operators have found they can raise rates $1.50 to $2 each year without running into resistance from subscribers. It is important, however, that new or improved services be added to the system, he and others said.

With several firms reporting margin improvements, the continued ability to raise rates with little subscriber resistance, and improved penetration rates, it was not surprising to hear companies like The Washington Post and Knight-Ridder tout their cable holdings and their interest in maintaining or strengthening their positions in the business.

"We won't consider selling cable," said Simmons, in response to a question about the company's willingness to buy and sell assets for the benefit of shareholders. "(Cable) is a good business for The Washington Post," he said.

The comments were in contrast to the decision three months ago by The New York Times Co. to sell its cable assets. Analysts generally attribute that decision to The Times' recognition that it would never be a major player in the business. In contrast, The Washington Post currently serves approximately 400,000 subscribers in its systems, while Knight-Ridder will double its investment in cable to systems representing 500,000 subscribers as a result of its decision to take a percentage of the Storer deal from TCI.

The fundamental strength of the business was revealed in the operating results of several major acquisitions within the past few years. Leonard Tow, president and chief executive officer of Century Communications, noted, for example, that when Century bought into the Group W deal in 1985, it was getting the "dogs" of the deal, three systems in the Los Angeles area.

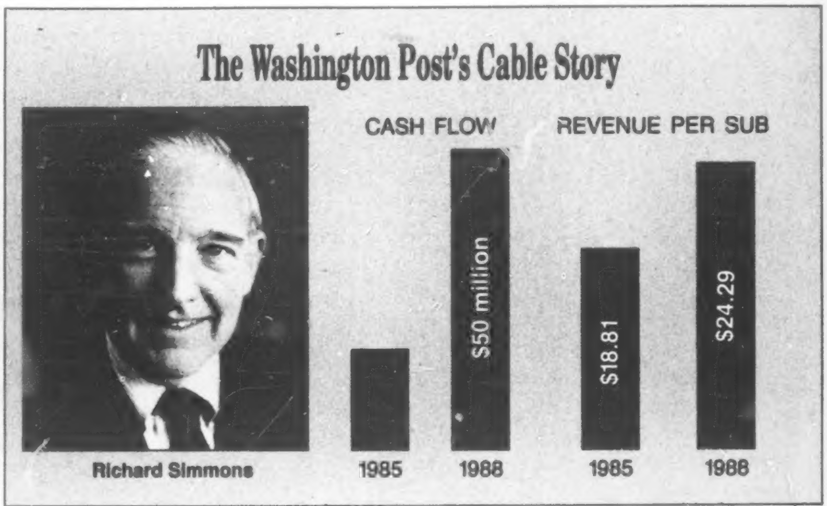
This notice appears as a matter of record only. November 1988.

AMERICAN TELEVISION &
COMMUNICATIONS CORP.

has acquired the cable television systems
serving 2,200 basic subscribers
in the communities of Flagler Beach,
Bunnell, and Flagler County,
Florida

Robert G. Holman of
The Denver Group, Inc.
represented the sellers in this transaction.

THE
DENVER GROUP INC.
252 Clayton, Suite 300
Denver, Colorado 80206
(303) 399-5224



Those dogs, however, have turned into cats, said Tow, as cash flow margins have improved from 27 percent at the time of the acquisition to more than 50 percent today. These systems, which serve "the high-rent district in L.A.," have the potential of becoming the best performers among Century's holdings, said Tow.

In its presentation, Comcast touted the superior performance of several of its major recent acquisitions. For example, the Indianapolis cable system, which the company bought from the local power company, has seen cash flows increase 51 percent in the last year. Cash flow growth in the Group W cable systems has been averaging 33 percent a year, said Brian Roberts, executive vice president.

Meanwhile, the company has a major growth component in its Philadelphia newbuild, where penetration rates are averaging 40 percent and average revenue per subscriber is $33.95. The system will be breakeven on cash flow basis before interest this year.

"We love cable. The results are fabulous," said Roberts, the son of chairman Ralph Roberts. "Every piece of our business is growing."

Several operators pointed to pay-per-view as a major new revenue source for themselves. "It is the equivalent to a foundation pay service. It's a big deal," said Brodsky. Every house the company is hooking up in Philadelphia will have the ability to order impulse pay-per-view, he noted. The Washington Post's Simmons also heralded the coming of pay-per-view. By the end of next year the percentage of addressable households in Post systems will have risen more than 80 percent, he indicated.

Driving the favorable financial statistics in what Brodsky termed "a self-fulfilling future" is better programming. The better the programming, the more subscribers will sign up, the higher rates operators can charge, the more advertising revenues come in, the more operators can pay for better programming.

Meanwhile, the broadcast networks will continue to lose viewer-

This notice appears as a matter of record only. December, 1988.

$4,000,000
Secured Senior Debt
and
$1,800,000
Partnership Capital
has been arranged for
PACIFIC SUN CABLE PARTNERS
an affiliated company of
SUN COUNTRY CABLE, INC.

The undersigned acted as financial advisor
to Pacific Sun Cable Partners in this transaction.

CHARLES GREENE
ASSOCIATES
Cable Television Brokerage

1117 Perimeter Center West • Suite E-319 • Atlanta, Georgia 30338 • (404) 668-9577

ship, while cable will continue to gain, which means that there will be even less reliance on broadcast product. That will make syndicated exclusivity and the compulsory license less important, said Brodsky.

One of the most interesting developments in the programming field is the new issue of high-profile sports on cable systems. Several operators noted that the recent multi-million agreement signed by Madison Square Garden Network with the Yankees brings up the question of whether the entire subscriber base should help pay for that contract. As several operators noted, sports fans are still a minority of cable subscribers, even if they are highly vocal, which may make the migration of sports onto pay and pay-per-view tiers a good possibility.

In general, media executives played down the threat posed by the telephone companies. While Tony Cox, president of Showtime Networks, Inc., noted that as a programmer it does not really matter who delivers cable programming to consumers, he said in the end "cable will continue to be the dominant player in the delivery of entertainment and information."

Brodsky underlined and expanded that assessment by saying that no matter which technology becomes the dominant delivery mechanism for cable programming, companies such as Comcast intend to deliver that technology. He said that the company was at this time trying to buy satellite capacity. "We're in the video distribution business," he said. "We'll do what it takes" to maintain that position."

Brodsky and others also downplayed the telephone company threat. "What are they going to compete with?" he asked the analysts, implying that it would be extremely difficult to develop new networks and programming services at this point.

Cox summed up the mood of the companies with cable interests by noting they are "quietly bullish" about the business. They are quiet because the barbs coming out of Washington about competition and growing financial clout will make it wise to be circumspect.

At the same time, said Cox, the fundamentals of the business remain "quite solid and the trends toward future growth are quite good." The interest of the telcos and the broadcasters in getting into cable attest to those facts. ■

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$3,250,000
Revolving Credit/Term Loan

$900,000
Subordinated Notes
has been arranged with

PROVIDENT
NATIONAL BANK

for

SPECTRUM CABLEVISION
LIMITED PARTNERSHIP

managed by
LEONARD
COMMUNICATIONS, INC.

Jeffrey P. Kramp of
The Denver Group, Inc.
served as financial advisor and
assisted in the negotiations.

THE
DENVER GROUP INC.
252 Clayton Street, Suite 300
Denver, CO 80206
(303) 399-5224

CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	365	8,000,000
Alternate View Network	250	4,000,000
Arts & Entertainment (A&E)	2,800	37,000,000
Black Entertainment Television	1,200	20,000,000
Cable News Network	11,860	46,238,000
Cable Value Network	1,850	20,000,000
CBN Family Channel	8,215	41,642,000
C-SPAN	3,014	39,200,000
C-SPAN II	539	15,400,000
Country Music Television	862	8,000,000
The Discovery Channel	3,567	35,800,000
Eco	300	1,000,000
ESPN	9,500	47,800,000
Eternal Word Television Network	461	10,100,000
Family Guide Network	60	4,500,000
FamilyNet	47	1,200,000
The Fashion Channel	600	10,100,000
Financial News Network	3,500	33,000,000
FNN/Score	1,150	19,800,000
FNN/TelShop	950	11,000,000
Headline News	3,228	32,693,000
Home Shopping Network	1,413	16,074,151
Home Shopping Network II	321	5,699,732
The Inspirational Network	[illegible]	10,500,000
International Television Network	56	7,868,900
The Learning Channel	930	12,800,000
Lifetime	3,600	40,800,000
Mind Extension University	84	2,200,000
Movietime	200	7,500,000
MTV	5,010	44,000,000
The Nashville Network	7,335	41,051,392
Network 1 USOA	N.A.	N.A.
Nick At Nite	3,285	39,000,000
Nickelodeon	6,195	43,000,000
The Nostalgia Channel	290	3,500,000
Prevue Guide	200	5,300,000
QVC Network	931	12,600,000
RFD TV	N.A.	N.A.
Shop Television Network	119	4,600,000
Silent Network	400	12,000,000
Superstation TBS	8,171	45,718,000
Tempo Television	700	8,000,000
TNT	1,279	17,040,000
The Travel Channel	300	11,000,000
Trinity Broadcasting Network	650	8,000,000
Univision	340	N.A.
USA Network	10,100	45,200,000
VH-1	2,140	31,000,000
Vision Interfaith Satellite Network	N.A.	6,200,000
The Weather Channel	3,240	36,100,000
WGN-TV	11,000	24,900,000
WWOR-TV	2,499	12,302,073
WPIX-TV	858	9,678,474

Bonus/basic services

American Movie Classics	1,500	13,000,000
Bravo	350	1,300,000

Pay services

American Exxxtasy	35	27,000
Cinemax	3,650	5,700,000
The Disney Channel	5,000	3,810,000
Home Box Office	7,400	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	550	490,000
Showtime	6,000	5,300,000

Audio services

Cable Radio Network	49	1,556,736
Galatic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,578,838
Seeburg Lifestyle Adult Contemporary	26	[illegible]54,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000

Computer services

DBC/MarketWatch	462	9,200,000
X*Press Executive	457	6,100,000
X*Press X*Change	457	6,[illegible]00,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Interactive services

Basic services	Affiliates	Subscribers
Telaction	4	30,000
Video Jukebox Network	9	268,000

Regional services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	177,000
Bay Area Religious Channel	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,000,000
KTVT	415	3,588,270
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,500,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	532,000
Prime Cable	9	381,938
Prime Sports Network	N.A.	N.A.
Prime Ticket	55	3,000,000
Sportsvision	50	1,507,270
Sunshine Network	112	1,700,000

Pay services

Home Sports Entertainment	196	684,740
Home Team Sports	114	1,000,000
New England Sports Network	160	301,131
Prism	87	427,000
Pro-Am Sports	140	301,000
SportsChannel (Florida)	10	470,000
SportsChannel (New England)	147	942,943
SportsChannel (New York)	94	1,300,000
Z Channel	65	110,010

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.
N/A denotes information not available.

Announced services

Satellite-fed services	Expected launch
ATV: Advertising Television	1/89
CD/8: The Digital Music Network	6/89
CNBC	4/89
The Computer Channel	5/89
Digital Cable Radio	1st Quarter 1989
Digital Radio Labs	1st Quarter 1989
Interactive Game Network	3rd Quarter 1989
Kids Information Network	1st Quarter 1989
The Landscape Channel	1st Quarter 1989
Laugh TV	1st Quarter 1989
Maximum Entertainment Network	9/89
Mizlou Cable Sports Network	4/89
Spanish TV News Network	1/89
Talk Television	1st Quarter 1989
Wingtips	4th Quarter 1989

Non satellite-fed services	Expected launch
ACTV	4th Quarter 1989
Consumer Classified Ad Network	1st Quarter 1989
Main Street	2nd Quarter 1989
On Demand/UTV TV Network	4th Quarter 1989

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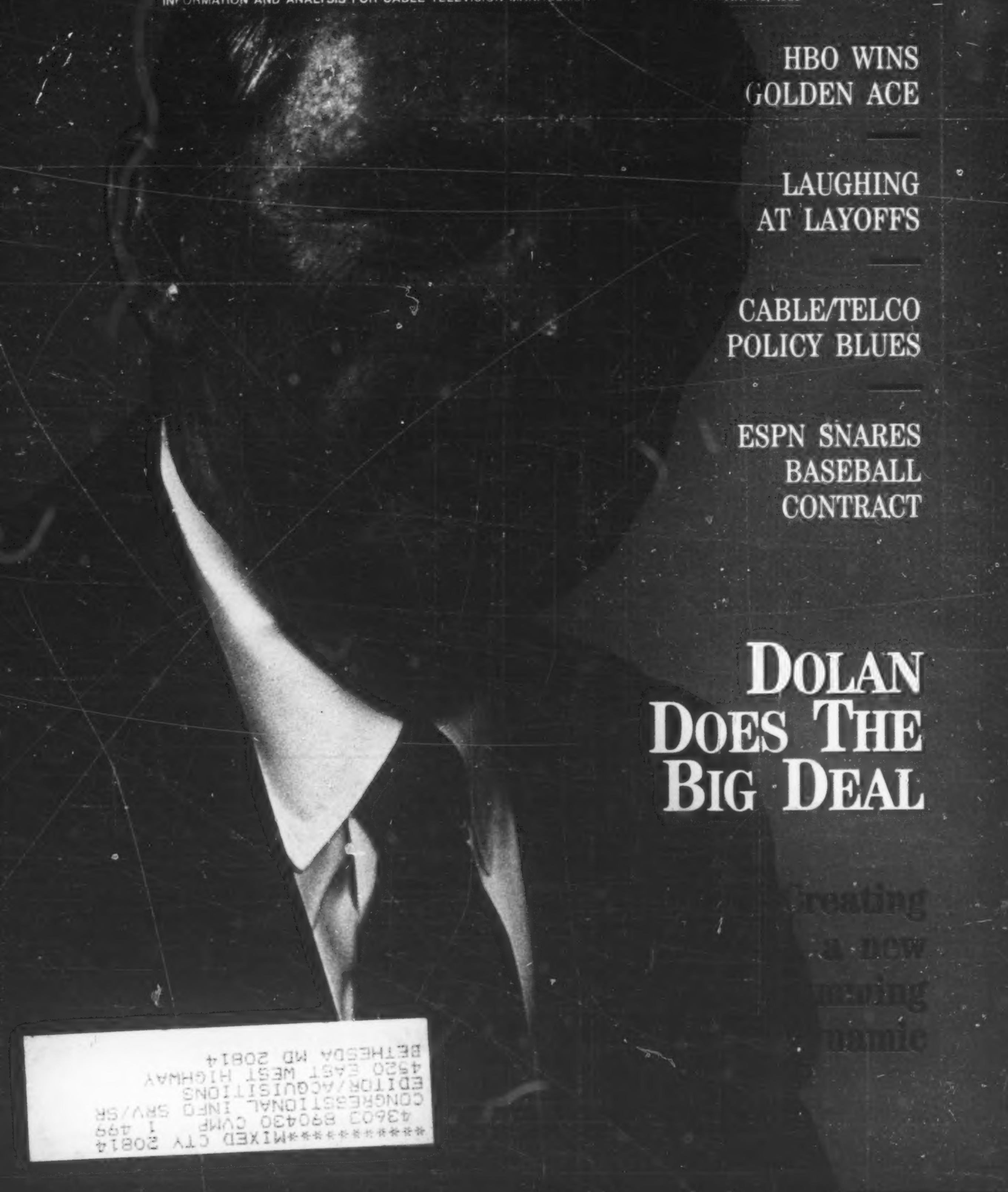
CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT
JANUARY 16, 1989



HBO WINS
GOLDEN ACE

LAUGHING
AT LAYOFFS

CABLE/TELCO
POLICY BLUES

ESPN SNARES
BASEBALL
CONTRACT

DOLAN DOES THE BIG DEAL

Creating
a new
[illegible]
dynamic

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EDITOR/ACQUISITIONS
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CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT JANUARY 16, 1989

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ESPN lands baseball contract. 14
ESPN emerges the winner in the cable baseball sweepstakes, agreeing to pay $100 million a year for 175 games under a four-year contract.

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Complaining about rising programming costs, TCI suggests 'decoupling' from basic some networks that have loaded up with expensive sports.

INTV feels its oats. 17
Independent stations, riding high on better ratings, the return of syndex and cheaper programming, thump their chests at the group's annual convention.

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The $300 million joint venture between NBC and Chuck Dolan's Cablevision Systems represents a breakthrough in programming and a boon to pay-per-view.

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Handing out pinkslips is a new phenomenon in some areas of the industry, and one consultant says humor and openness are the best tactics to employ.

The cable/telco policy blues. 42
The issue has been around now for nearly a year, but little has changed in the Washington debate over Bell entry into cable. Look for more of the same.

Running the numbers on the Dolan deal. 44
Chuck Dolan is banking on many things in his joint venture with NBC, but perhaps the biggest is that pay-per-view will blossom in four years.

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Cable at its charitable best

66

Reducing the stress of pinkslips

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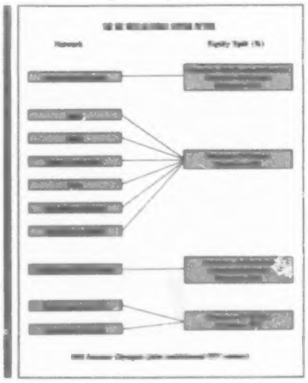


Banking on a blossoming PPV business

44

COVER PHOTOGRAPH

Cablevision's Chuck Dolan achieves an Olympic feat

ITCI ©International Thomson Communications Inc., 1988. All rights reserved. *CableVision* (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 S. Cherry Street, Suite 400, Denver, Colorado 80222 -or- P.O. Box 5208-TA, Denver, CO 80217. January 16, 1989, Volume 12, Number 14. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Denver, Colorado and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 S. Cherry St., Suite 400, Denver, Colorado 80222. ABP BPA

What's On The Pays/January

Cinemax

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
A Prize Of Gold	NR	Columbia
Action Jackson	R	Lorimar
Arrowhead	NR	Paramount
Big Shots	PG-13	Lorimar
Broken Noses	NR	Kira
The 5,000 Fingers of Dr. T	NR	Columbia
Friday The 13th-A New Beginning	R	Columbia
Golden Boy	NR	Columbia
Housekeeping	PG-13	Columbia
Inside Out	R	Hemdale
Leonard, Part 6	PG	Columbia
The Monster Squad	PG-13	Tri-Star
Real Men	PG-13	MGM/UA
The Serpent & The Rainbow	R	Universal

Original Programming/Specials

Comedy Experiment: Greetings From Gilbert
Crazy About The Movies: Elvis '56

Highlights

Eleni	PG	Warner Bros.
I've Heard The Mermaids Singing	NR	Miramax
Vintage Performace: Jimi Hendrix		
Wall Street	R	20th Century-Fox

Wall Street

The Disney Channel

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Adventures Of The Magnificent 6½	NR	Miramax
The Biggles: Adventures In Time	PG	New Century
The Chipmunk Adventure	G	Sam Goldwyn
The Dog Who Stopped The War	G	Miramax
Dot & The Smugglers	NR	Cori Films
Eyes Of The Amaryllis	NR	Coe Films
Golden Treasure	NR	Miramax
Hero In The Family	NR	Disney
Hockey Night	NR	LBS
I-Man	NR	Disney
The Peanut Butter Solution	NR	HBO
Peter & The Wolf & Other Tales	NR	Les Communications
Puss-In-Boots	G	Cannon
Shipwreck	G	Paramount
Unico In The Island Of Magic	NR	Sanrio
The Young Magician	NR	Miramax

Original Programming/Specials

DTV 2
Grand Canyon: Ampitheater Of The Gods
A Young People's Concert With Raffi

Highlights

The Boy Who Could Fly	PG	Lorimar
Mary Martin's Sound Of American Musicals		
Mickey Goes To Moscow		
Russkies	PG	New Century

Mickey Goes To Moscow

HBO

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
A Prayer For The Dying	R	Sam Goldwyn
Action Jackson	R	Lorimar
Amazon Women On The Moon	R	Universal
The Biggles: Adventures In Time	PG	New Century
Born In East L.A.	R	Universal
Cold Steel	R	Cinetel
Date With An Angel	PG	DEG
Double Exposure	R	Taurus

Happy New Year	PG	Columbia
The Hidden	R	Universal
Ishtar	PG-13	Columbia
Less Than Zero	R	20th Century-Fox
Private Investigation	R	MGM/UA
Return To Salem's Lot	R	Warner Bros.
Taffin	R	MGM/UA

Original Programming/Specials

Encyclopedia (new episodes)
1st & Ten (new episodes)
Imprints: Jeff Bridges
Not Necessarily The Year In Review
Smoking: Everything You & Your Family Need To Know

Highlights

Empire Of The Sun	PG	Warner Bros.
Hope & Glory	PG	Columbia
Nuts	R	Warner Bros.
Wall Street	R	20th Century-Fox

Empire Of The Sun

The Movie Channel

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
A Man In Love	R	Cinecom
Aladdin	PG	Cannon
Annihilator	NR	Universal
Applause	NR	Universal
Applause	NR	Universal
Armed Republic	R	Cinetel
The Biggles: Adventures In Time	PG	New Century
Crazy Moon	PG-13	Miramax
Death Wish IV: The Crackdown	R	Cannon
Dirty Laundry	PG-13	Skouras
Dusty	NR	Castle Hill
Foreign Body	PG-13	Orion
Home Is Where The Heart Is	PG-13	Atlantic
North Shore	PG	Universal
The Penitent	PG-13	Carolco
The Serpent & The Rainbow	R	Universal
Something Wild	R	Orion

Original Programming/Specials

Firstworks: Oliver Stone

Highlights

Braddock: Missing In Action III	R	Cannon
Hail! Hail! Rock 'N' Roll	PG	Universal
Throw Momma From The Train	PG-13	Orion
Wall Street	R	20th Century-Fox

Hail! Hail! Rock 'n' Roll

Showtime

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Death Wish IV: The Crackdown	R	Cannon
The Garbage Pail Kids Movie	PG	Atlantic
King Kong Lives	PG-13	DEG
The Puppetoon Movie	NR	Leibovitz
The Serpent & The Rainbow	R	Universal
Something Wild	R	Orion
Somewhere, Tomorrow	PG	Film Gallery
Under Cover	R	Cannon
Wish You Were Here	R	Atlantic

Original Programming/Specials

Brothers (new episodes)
A Comedy Celebration: The Comedy & Magic Club's 10th Anniversary
The Case Of The Courtroom Legends
It's Garry Shandling's Show (new episodes)
Super Dave (new episodes)

Highlights

D.O.A.	R	Touchstone
Gloria Estefan & Miami Sound Machine		
Throw Momma From The Train	PG-13	Orion
Wall Street	R	20th Century-Fox

Throw Momma From The Train

PROGRAMMING

Pay-Per-View Supply Chart

January

Source

Appointment With Death Cannon
MPAA Rating: PG Running Time: 102 mins.
Cast: Peter Ustinov, Lauren Bacall, Carrie Fisher

Arthur 2 On The Rocks Warner Bros.
MPAA Rating: PG Running Time: 112 mins.
Cast: Dudley Moore, Liza Minnelli, John Gielgud

Big Top Pee-Wee Paramount
MPAA Rating: PG Running Time: 111 mins.
Cast: Pee-Wee Herman (Paul Reubens), Valeria Golino, Penelope Ann Miller

Colors Orion
MPAA Rating: R Running Time: 120 mins.
Cast: Robert Duvall, Sean Penn, Maria Conchita Alonso

Danger Zone II: Reaper's Revenge Skouras
MPAA Rating: R Running Time: 95 mins.
Cast: Jason Williams, Robert Random

The Drifter Concorde
MPAA Rating: R Running Time: 89 mins.
Cast: Kim Delaney, Timothy Bottoms, Al Shannon

Freeway New World
MPAA Rating: R Running Time: 92 mins.
Cast: Richard Belzer, Darlane Fluegel, James Russo

It Takes Two MGM/UA
MPAA Rating: PG-13 Running Time: 78 mins.
Cast: George Newbern, Leslie Hope

Killer Klowns From Outer Space HBO
MPAA Rating: PG-13 Running Time: 88 mins.
Cast: Grant Cramer, Peter Licassi, John Allen Nelson, Suzanne Snyder

License To Drive 20th Century-Fox
MPAA Rating: PG-13 Running Time: 90 mins.
Cast: Corey Haim, Corey Feldman, Carol Kane

Lurkers Crown
MPAA Rating: R Running Time: 90 mins.
Cast: Christine Moore, Gary Warner

Midnight Crossing Vestron
MPAA Rating: R Running Time: 94 mins.
Cast: Faye Dunaway, Daniel J. Travanti, Ned Beatty

Monkey Shines Orion
MPAA Rating: R Running Time: 113 mins.
Cast: Jason Beghe

The Nest Concorde
MPAA Rating: R Running Time: 87 mins.
Cast: Robert Lansing, Lisa Langlois, Franc Luz

The Rescue Disney
MPAA Rating: PG Running Time: 87 mins.
Cast: Charles Haid, Kevin Dillon, Marc Price

Short Circuit II Columbia
MPAA Rating: PG Running Time: 110 mins.
Cast: Cynthia Gibb, Michael McKean, Fisher Stevens

Slamdance Island
MPAA Rating: R Running Time: 99 mins.
Cast: Tom Hulce, Mary Elizabeth Mastrantonio, Virgina Madsen

Snow White & The Seven Dwarfs Cannon
MPAA Rating: G Running Time: 85 mins.
Cast: Diana Rigg, Billy Barty

Three Men And A Baby Touchstone
MPAA Rating: PG Running Time: 103 mins.
Cast: Ted Danson, Steve Guttenberg, Tom Sellick

Viper Fries
MPAA Rating: R Running Time: 100 mins.
Cast: Linda Purl, James Tolkan

Whoops Apocalypse MGM/UA
MPAA Rating: R Running Time: 91 mins.
Cast: Loretta Swit, Peter Cook

February

Source

The Blob Tri-Star
MPAA Rating: R Running Time: 95 mins.
Cast: Kevin Dillon, Shawnee Smith, Donovan Leitch, Candy Clark

Demons II Imperial
MPAA Rating: R Running Time: 88 mins.
Cast: David Knight, Bobby Rhodes, Virginia Bryant

Die Hard 20th Century-Fox
MPAA Rating: R Running Time: * mins.
Cast: Bruce Willis

Fear Cinetel
MPAA Rating: R Running Time: 96 mins.
Cast: Cliff De Young, Kay Lenz, Frank Stallone

The Great Outdoors Universal
MPAA Rating: R Running Time: * mins.
Cast: Dan Aykroyd, John Candy

The Lighthorsemen Sage
MPAA Rating: PG Running Time: 116 mins.
Cast: Anthony Andrews, Sigrid Thornton

Phantasm II Carolco
MPAA Rating: R Running Time: 104 mins.
Cast: Arnold Schwarzenegger, Jim Belushi, Peter Boyle

Vibes Columbia
MPAA Rating: PG Running Time: 100 mins.
Cast: Jeff Goldblum, Cyndi Lauper, Peter Falk

Young Guns 20th Century-Fox
MPAA Rating: R Running Time: 107 mins.
Cast: Emilio Estevez, Lou Diamond Phillips, Charlie Sheen, Kiefer Sutherland

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

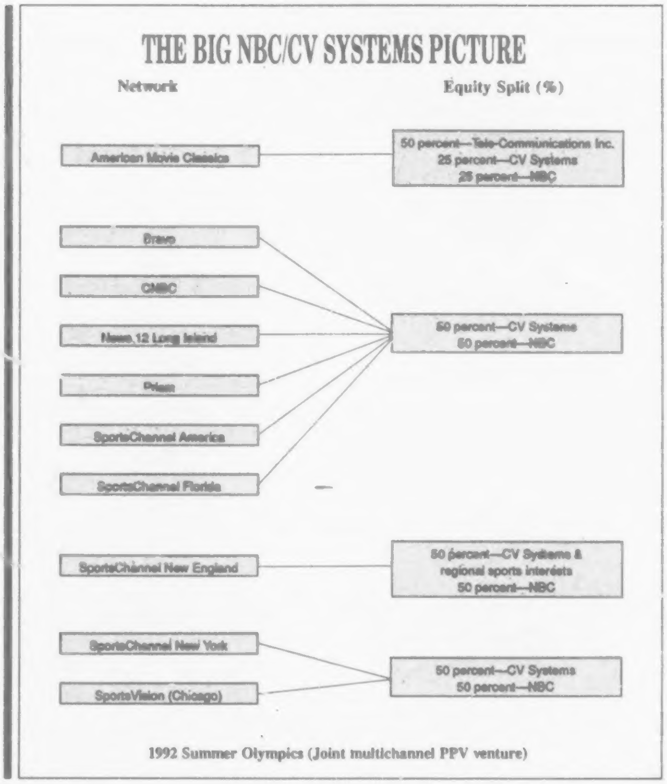
Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy I, tr.5	VideoCipher II	Movies, how-to's, special events.	1,000,000
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,300,000
Request Television	November 27, 1985	R-1: Satcom III-R, tr.19 R-2: Satcom III-R, tr.4	VideoCipher II	Two channels offering movies and special events	3,3000,000
Tuxxedo Network	December 1, 1987	Galaxy III, tr. 10	VideoCipher II	Adult movies and special events.	300,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Two channels of movies and special events	4,600,000
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: movies. Channel 2: Cult movies, and rental video favorites. Channel 3: Additional plays of Chs. 1-2 titles. Channel 4: previes and barker information.	60,000

NBC pays a bonus for a cable beachhead

◆◆◆◆◆◆

By Simon Applebaum


THE BIG NBC/CV SYSTEMS PICTURE
Network
Equity Split (%)
American Movie Classics
50 percent—Tele-Communications Inc.
25 percent—CV Systems
25 percent—NBC
Bravo
CNBC
News 12 Long Island
Prism
SportsChannel America
SportsChannel Florida
50 percent—CV Systems
50 percent—NBC
SportsChannel New England
50 percent—CV Systems & regional sports interests
50 percent—NBC
SportsChannel New York
SportsVision (Chicago)
50 percent—CV Systems
50 percent—NBC
1992 Summer Olympics (Joint multichannel PPV venture)

NBC's joint venture with Cablevision Systems represents a high-priced but apparently sound effort by the network to establish a substantial beachhead in cable programming.

While many analysts and senior industry officers stand by that opinion, there's growing sentiment that the deal—in which NBC receives half-ownership of most of the channels controlled by the 10th-largest MSO in exchange for $137.5 million and 50 percent of CNBC—will be overshadowed by the NBC/Cablevision Systems proposal to cablecast 150 hours of 1992 Summer Olympics through a multichannel pay-per-view service. For some, NBC's economic gamble, large as it is, appears trivial compared to the possible public policy controversy that could envelop that part of the deal.

When the agreement is completed over the next few weeks, NBC will become the second broadcast network in four years to enter a joint venture with Cablevision Systems. At the start of 1985, CBS agreed to pay $57 million for one-third ownership of several SportsChannel regional networks plus half of Rainbow Program Enterprises. Hopes were high then that CBS would treat its buy as the foundation of the kind of cable empire that failed to materialize with CBS Cable several years earlier. But by 1987 CBS's priorities had changed and it sold its interests back to Cablevision and the Washington Post Co., then a SportsChannel co-owner.

"CBS was half-hearted about its position there and viewed the investment that way," says Raymond Katz, media analyst with Mabon, Nugent & Co. "Whether you believe the price NBC paid on the agreement was fair or not, you can be sure about one thing—they will bring a lot more to the table than CBS. Look at what happened up front. NBC will split the Olympics with cable. During their ownership time, CBS never brought product to (SportsChannel or Rainbow)."

Supporters of Katz's view believe that programming will be just one side of NBC's alliance with Cablevision. With a large, experienced affiliate relations staff in place, the network may help design marketing strategies that improve penetration of Rainbow and SportsChannel-distributed services, especially Bravo, which only has 350 outlets in its count, and SportsChannel America, which continues to struggle with affiliate ties as it undertakes expansion to a nightly format this month. And the newsgathering forces of NBC and its local affiliates offer instant synergistic possibilities for CV's News 12, now almost certain to make the transition from a pure Long Island novelty to a chain of 24-hour regional news channels.

Equally certain: NBC finally holds the cable trump card it has long

PPV ENVIRONMENT 1988 [illegible]2

	Addressable Homes	PPV Revenues (millions)
1988	15.3 million	$ 210.7
1989	18.4 million	348.3
1990	22.2 million	512.1
1991	26.3 million	734.6
1992	30.5 million	1,020.8

desired. Senior executives there have discussed equity stakes with a variety of programmers during the last two years. Turner Broadcasting was the target at one point; Movietime, FNN and ACTV were approached at other times. But those talks never bore fruit. Last summer NBC changed tactics with the formation of NBC Cable. In short order, the division created CNBC and purchased investments in Interactive Game Network and NuCable Resources. Discussions with Cablevision Systems began in early November and intensified shortly before the Western Show, when the MSO agreed to offer CNBC.

Bill Daniels, chairman of Daniels & Associates, says he isn't surprised by the price. "NBC is paying a bonus to get in, but anyone who comes in at this point is going to do that. This deal was not struck on dollars, but on hope in the future."

No one echoes that view of the future better than Tom Rogers, NBC Cable's chief, who has touted the need for a strong industry connection in forum after forum the last few months. At *CableVision*'s recent Leadership Roundtable (*CV* 1/2/89, p. 26), Rogers declared that broadcasters must obtain multiple outlets via cable. "Each of the networks has a stake in making sure that their product is before as many viewers as possible, and in the future that's going to require more shelf space. You can't simply rely on being a single channel as a way of aggregating audience."

Rogers restructured those thoughts during a conference call with reporters following announcement of the deal with Cablevision. "When you combine the

SOLD

October, 1988

J & R CABLE TV
has sold its cable television assets serving
northeastern Arkansas to

DOUGLAS COMMUNICATIONS
MID-SOUTH LIMITED
PARTNERSHIP

The undersigned represented J & R Cable TV in
this transaction.

HPC Hardesty, Puckett & Company
COMMUNICATIONS BROKERAGE AND INVESTMENT BANKING

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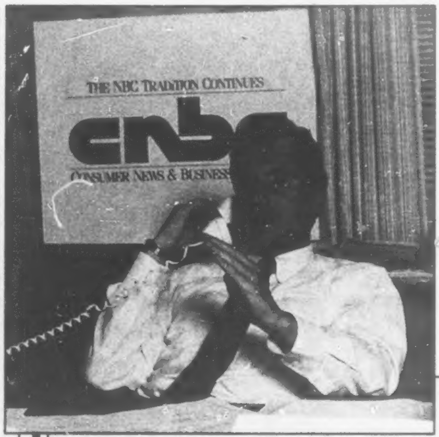

> 'If there were any doubts about the fact that we're committed to cable, given where we were with CNBC, this makes a strong statement that we want to be a major player.'
>
> *—NBC's Tom Rogers*

color of a Rainbow with the color of a peacock, you get something pretty exciting with a lot of pizazz," Rogers said. "If there were any doubts about the fact that we're committed to cable, given where we were with CNBC, this makes a strong statement that we want to be a major player. We are not, by any means, trying to recreate the notion of a general broadcast network in cable. Instead, we're trying to provide multiple avenues of quality programming into the home. The bottom line is, the cable audience expects a lot more choices. For us to serve that audience, we have to expand the menu of quality services we make available to the viewer."

"The breadth of the deal may surprise some people," media analyst Katz says, referring to the equity ownerships and the Olympics PPV contract. "But given that GE has a mandate to get into the business and they work in a decentralized manner, it's less surprising."

Some executives are questioning NBC's publicly-stated intentions of becoming a loyal industry player, using the Cablevision Systems deal to make their points. Financial News Network President David Meister, who participated in equity negotiations with NBC, says the agreement will raise more questions than answers among operators. FNN has been fighting to keep affiliates from defecting to CNBC because some operators assume that the two services will have roughly the same format. FNN's Score mini-service faces new competition on weekends from CNBC as well as SportsChannel America. CNBC executives argue that their network, which is to launch April 15, will not duplicate FNN. "A large number of operators will be circumspect regarding NBC's cable role. They may look at all this with a little bit of skepticism, because what it could come down to is being benevolent in letting a broadcaster shore up in cable for protection. When it comes down to long-term agenda, the first priority is broadcasting," Meister suggests.

Another loyalty test could come in the sports arena, where NBC now has two cable avenues through which to funnel programming. Will SportsChannel America become the favorite path, or will that tag belong to CNBC? Mike Eskridge, president of CNBC, doesn't see an internal battle brewing. "We may reexamine our sports coverage priorities as a result of this agreement, but in the broad sense, there will be no change at all," he says.

But most analysts agree that the ultimate loyalty conflict is just ahead, in the form of the Olympics coverage plan. At the moment, NBC and Cablevision Systems intend to present 150 hours of PPV Olympics fare, spread over two or three channels, compared with 160 hours broadcast on NBC. With the broadcast/cable combo, NBC expects to make a profit on its $401 million bid for the games.

To accomplish that, NBC and Cablevision want to sell the PPV coverage to homes in several ways—per event, per day or the complete package, at prices ranging from $25 to $100. Based on an estimated addressable universe of 25 million homes by 1992, NBC Sports officials forecast that an Olympics PPV audience of three to five million households paying $100 apiece would gross $300 to $500 million in revenues. Cablevision Systems would get a revenue split along with participating affiliates, but according to one published report, the MSO could suffer as much as a $50 million deficit if revenues don't match projections.

At first, NBC was encouraged by the International Olympic Committee to go for a basic cable package. But after some debate, network executives decided on PPV after concluding that laying off some coverage on a basic channel would dilute advertising sales for its broadcast coverage. And following Western Show remarks by Cablevision Chairman Charles Dolan predicting that systems ultimately would adopt usage-based subscriber rates rather than straight pay or basic, NBC figured that Cablevision would go for a PPV plan without many strings attached.

Two factors will figure prominently in how NBC/Cablevision Systems make out on the venture: how many PPV-capable homes will be on line in 1992 and the attractiveness of PPV Olympics. Newly-compiled numbers from Paul Kagan Associates indicate that the available base may be bigger than expected; instead of 25 million homes to play with, the partners could have at least 30.5 million homes. And by that time, Kagan believes, PPV could be generating upwards of $1 billion in revenues, up from $210.7 million in 1988 and an expected $348.3 million this year.

However, at least on NBC's side, there's every indication that the glamour Olympics events will be carried on broadcast, while preliminaries in the majors and less-covered sports will be offered on pay-per-view. "PPV will allow the sophisticated viewers to see what they want," NBC Sports President Arthur Watson said in one published interview. Watson also noted that NBC's coverage will encompass prime time, late afternoons and late nights, leaving PPV with other times to fill. Furthermore, the PPV coverage will not overlap with NBC's offerings, according to network officials.

And there the dilemma starts, according to Daniels. In order to get the maximum PPV household penetration, the venture must offer more than preliminaries and esoteric competitions. If not, most operators could nix the package. But any effort to allocate big events to PPV could touch off a firestorm of protest among NBC's broadcast affiliates.

"I'm not the least bit excited about the concept as it now stands," Daniels declares. "I don't want to pay $2 for the rowing semi-finals. As a viewer, the finals of that sport won't excite me; the boxing finals will." Complicating all this is the the six-hour time difference between the Eastern U.S. and Barcelona, forcing NBC to present tape-delayed prime time coverage of the games. Past Nielsen ratings suggest that tape-delayed Olympics attract lower ratings than live events. But, ironically, PPV figures to be the one constant home for live 1992 Summer Games coverage, since U.S. daytime is in sync with Barcelona evenings. Then again, will NBC and Cablevision allow PPV to get first crack at the big events as they happen live? And if so, will that cut into NBC's ratings?

Then there's the availability issue. Even with up to 30 million PPV-equipped homes, 70 million homes may not be cabled or PPV-capable. Some analysts argue that die-hard Olympics fans who want increased coverage and find themselves shut out because of technicalities of one sort or another could take their case to lawmakers.

By apparently making PPV daytime-only, NBC and Cablevision Systems may be inviting trouble, public policy and otherwise. "They will have a hard-core PPV audience, but it's automatically limited by the number of people who normally watch at that time, and we can give evidence to that. The big concern is how the Tim Wirths and other D.C. people feel about it. There's no simple answer," Meister says.

Rogers rejects the attitude, contending that the package will appeal to those inside the Beltway as well as the public at large. "What Congress is more concerned about is

SOLD

October, 1988

ULTRONICS, INC.
has sold its cable television assets serving portions of Rancho Santa Fe, California to

TIMES MIRROR CABLE TELEVISION

The undersigned represented Ultronics, Inc. in this transaction.

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diversity and developing new technologies. This provides additional programming which never would have been available to the consumer otherwise. This is pro-choice and pro-consumer, just the kind of thing public policy makers have been looking for. And for operators, this presents a fantastic initiative. For a long time, PPV has essentially languished. Nothing has been done on this scale to spawn its development." "By virtue of this plan, we'll expose the Olympics to a far greater audience," echoes Eskridge. "We're going to do on broadcast what we were going to do anyway in Barcelona. We're increasing inventory, not restricting it."

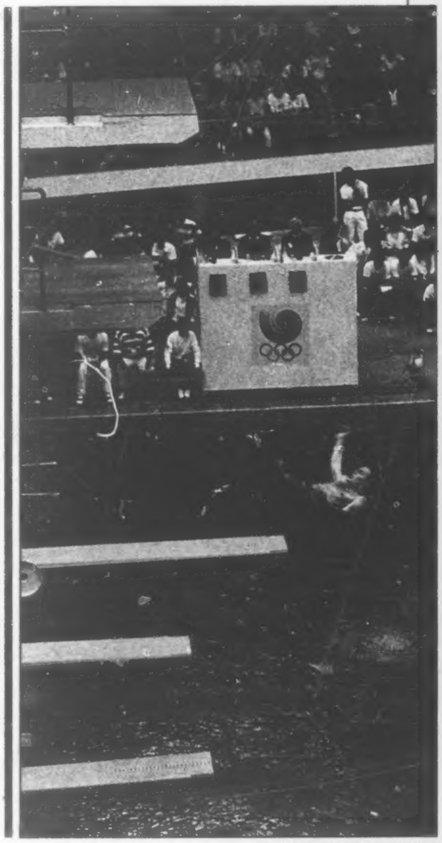
For the moment, the FCC has no plans to investigate any aspect of the NBC/Cablevision Systems partnership. But the Olympics PPV aspect is expected to spark concern on Capitol Hill when lawmakers return from adjournment. Off-the-cuff reactions were anticipated from some congressional leaders attending last week's INTV convention.

"ABC owns 80 percent of ESPN, so if NBC wants to get into the same sort of arrangement with cable, I don't think we will step in and say it's a bad thing," said one FCC official prior to the holiday recess.

Mabon Nugent's Katz forsees an ongoing industry drama with many twists. "It's presumptuous to think that NBC or Dolan have all the answers, although they feel the gamble is good. There are a lot of moving pieces, so this resolution is going to take shape over time. The good thing is that Dolan has smarts and can react in a changing macroenvironment."

And Daniels suggests that before the final resolution, PPV may be scrapped for something else. "You may see a compromise in the form of a temporary pay tier. It's complicated—but it could be done."

In the end, the most uncomplicated thing about NBC and Cablevision Systems' joint venture may be the equity share amounts. Fifty percent is NBC's level for all but American Movie Classics. With Tele-Communications Inc. not about to reduce its half-ownership of the service, NBC and Cablevision will satisfy themselves with 25 percent splits. ■



COURTESY NBC SPORTS

A diver plunges for glory in Seoul; NBC and Cablevision Systems will try to hit the mark with pay-per-view from Barcelona.

$92,500,000

MARYLAND CABLE CORP.

An Affiliate of
ML Media Opportunity Partners, L.P.

Revolving Credit/Term Loan Facility

Funds Provided By:

Citibank, N.A.
as Agent

November 1988

CITICORP

Quarterly Earnings Report

Dollar amount in thousands

Company (Quarter/Fiscal Year)	**Revenues**	**% change from prior year**	**Operating Profit**	**% Change**	**Net Income**	**% Change**
ATC (3rd/88)	$205,210	13.69	$32,325	-22.58	$ 9,649	-26.15
Cablevision Systems (3rd/88)	126,885	69	-1,313	-1087.10	117,478	-367.9
Centel (3rd/88)	325,522	5.1	71,940	-14.76	37,313	-4.75
Centel Cable (3rd/88)	38,611	18.75	5,156	77.61	2,334	N.A.
Century Comm. (N.A.)	43,603	9.9	9,706	14.5	-2,198	-1.3
C-Cor Electronics (1st/89)	12,219	63.86	N.A.	N.A.	1,066	375.35
Heritage Media (3rd/88)	11,530	20.5	4,196	19.4	2,187	63
Home Shopping Network (1st/89)	200,600	8	26,300	20	10,900	252
Jones Intercable (1st/89)	14,495	81	7,263	35	-5,211	-502
Jones Intercsable Investors (3rd/88)	6,902	17	-2,439	-4	-3,276	8
Jones Spacelink (1st/89)	15,590	86	7,266	42	-1,793	-228
Knight-Ridder (3rd/88)	503,126	5.79	58,213	-10.11	31,998	-4.34
Multimedia (3rd/88)	107,952	5.33	35,425	8.85	4,455	-9.82
NY Times (3rd/88)	404,149	-5.7	38,820	-33.99	26,682	-18.15
Oak Communications (3rd/88)	48,442	4.6	3,860	-33.6	3,860	-33.6
QVC Network (3rd/88)	50,310	47	3,426	73	3,005	73.5
Scientific-Atlanta (1st/89)	124,944	-3	10,519	11	6,732	14
Scripps-Howard (3rd/88)	64,915	18.21	11,455	14.95	2,450	-4.18
Tele-Communications Inc. (3rd/88)	624,000	31.5	244.200	34	63,700	N.A.
Texscan (2nd/89)	12,653	16	726	-18	192	-78
Time Inc. (3rd/88)	1,133,000	5.49	159,000	3.25	81,000	9.46
Times Mirror (3rd/88)	814,779	4.79	122,958	-8.05	80,965	14.68
Turner Broadcasting (3rd/88)	198,676	31	23,292	22	36,458	3
United Cable (1st/89)	72,636	19	30,111	19	3,542	631
Viacom (3rd/88)	311,561	21	29,797	-1	-56,925	-8.97
Video Jukebox Network (3rd/88)	380	725	966	1231	-175	30
Washington Post (3rd/88)	329,371	5.26	58,087	-2.11	38,060	-37.93
WestMarc Communications (3rd/88)	33,017	13.82	2,106	-68.34	-4,860	1,028.0

communications division will distribute cable converter refurbishing parts through Cable Business Associates. Jim Slade, marketing manager for the division, said the agreement was reached in order to provide additional convenience for MSO customers. Orders for Panasonic's refurbishing parts can be placed through CBA's Chicago offices.

- **CNN** will add seven new international bureaus during 1989. Athens, Brussels, Geneva and Madrid will be the new European locales; Manila and Seoul are planned for Asia and the channel's first bureau in South America will operate from Santiago, Chile. When the expansion plan is completed, CNN will have 18 international newsgathering bureaus and 27 overall.

- New buyers of **Pioneer Communications'** BA-6000 addressable converters and related equipment include Cox Cable, Jones Intercable

This notice appears as a matter of record only. December, 1988.

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CABLE STATS

Salellite Lineup

Satcom III-R (GE Americom)	**Transponder**
BET	20
Cable Radio Network	4
Cinemax (West)	23
ESPN (Blackout)	7
The Fashion Channel	1
Financial News Network	11
Genesis Storytime	3
HBO (East)	13
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
Network 1 USOA	23
QVC Network	8
Request TV	4,19
Shop Television Network	5
Tempo Sound	6
Tempo Television	6
The Travel Channel	16
Trinity Broadcasting Network	3
Turner Network Television	18
TV Decisions	24
USA Network (West)	10

Satcom IV (GE Americom)	**Transponder**
Alternate View Network	10
Family Guide Network	24
Family Net	7
The Fashion Channel	14
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Madison Square Garden Network	6
Movietime	17
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Playboy On Demand	24
Prevue Guide	8
Prime Ticket	20
The Silent Network	23
SportsChannel America	2,10
SportsChannel New England	23
SportsVision	9
Vision Intefaith Satellite Network	3

Satcom II-R (GE Americom)	**Transponder**
WABC	4
WCBS	2
WNBC	12

Satcom I-R (GE Americom)	**Transponder**
Digital Cable Radio	15
Home Sports Entertainment	10
KKGO	16
KTLA	16
Netlink USA	2,4,6,12,14,20
Prime Ticket Network	7
Sunshine Network	11
WSBK	2

Westar III (Western Union)	**Transponder**
CNN	5

Westar IV (Western Union)	**Transponder**
Cable News Network (CNN)	16
International Television Network	10D

Westar V (Western Union)	**Transponder**
Moody Broadcasting Network	7D
Pro-Am Sports System (PASS)	8
Zephyr Weather Information Service	7D

Telstar 303 (AT&T)	**Transponder**
American Exxxtasy	19

Galaxy I (Hughes)	**Transponder**
Arts & Entertainment Network	12
CBN Cable Network	11
Cinemax (East)	19
CNN	7
Country Music Television	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
Electra	18
ESPN	9
GalaVision	20
HBO (West)	1
Headline News	8
The Inspirational Network	17
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
Prevue Guide	3
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
Showtime (West)	16
Superstation TBS	18
Univision	6
USA Network (East, Central)	21
WGN/EPG	3
WWOR	15

Galaxy III (Hughes)	**Transponder**
ACTS Satellite Network	7
Cable Value Network	9
Cable Video Store	5
C-SPAN	24V
C-SPAN II	14V
Eternal Word Television Network	10
Galactic Radio	11
Lifetime	20
The Meadows Racing Network	17
Mind Extension University	11
MTV	17
Nick At Nite	19
Nickelodeon	19
NuStar	12
Video Hits One (VH1)	15
Viewer's Choice	21,18
The Weather Channel	13

Spacenet I (GTE)	**Transponder**
RFD TV	23
SelecTV	2

Spacenet II (GTE)	**Transponder**
SelecTV	5
Channel America	3
Zap! Movies 1,2,3	2,1,12
Zap! Previews	6

Spacenet III (GTE)	**Transponder**
KTVT	3
WPIX	5

Note: A company name in parentheses following a service or network designates the transponder owner. Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc	5,977,790	(12/88)
2.	American Television & Communications Corp.	3,900,000	(12/88)
3.	Continental Cablevision	2,302,000	(12/88)
4.	Storer Cable Communications	1,516,623	(12/88)
5.	Warner Cable Communications	1,488,720	(12/88)
6.	Cox Cable Communications	1,465,245	(12/88)
7.	Comcast	1,410,000	(12/88)
8.	UA Cablesystems	1,339,729	(10/88)
9.	United Cable	1,251,884	(12/88)
10.	Cablevision Systems Corp.	1,140,014	(11/88)
11.	Newhouse Broadcasting	1,123,634	(12/88)
12.	Viacom Cable	1,114,500	(12/88)
13.	Jones Intercable	1,090,731	(12/88)
14.	Heritage Cummunications	1,078,085	(12/88)
15.	Times Mirror Cable TV	992,000	(12/88)
16.	Sammons Communications	853,868	(12/88)
17.	Century Communications	774,439	(12/88)
18.	Cooke Cablevision	692,790	(12/88)
19.	Adelphia Communications	682,000	(12/88)
20.	Paragon Communications	678,000	(12/88)
21.	Falcon Cable TV	630,000	(12/88)
22.	Cablevision Industries	600,870	(11/88)
23.	Telecable Corp.	560,000	(12/88)
24.	Centel Cable	558,399	(11/88)
25.	Rogers Cablesystems Inc.	529,708	(12/87)
26.	Scripps-Howard	501,000	(12/88)
27.	Prime Cable	455,123	(12/88)
28.	Wometco Cable TV	449,901	(12/88)
29.	Tele-Media	413,885	(12/88)
30.	Post-Newsweek Cable	396,000	(12/88)
31.	Multivision Cable TV	381,627	(4/88)
32.	WestMarc Communications	350,145	(12/88)
33.	Lenfest Group	347,351	(11/88)
34.	TCA Group	337,999	(1/88)
35.	Maclean Hunter Cable TV	331,599	(12/88)
36.	Multimedia Cablevision	313,167	(4/88)
37.	Rifkin & Associates	304,000	(12/88)
38.	Colony Communications	301,576	(12/88)
39.	TKR Cable	268,195	(12/88)
40.	Western Communications	260,742	(12/88)
41.	Star Cablevision Group	251,629	(12/88)
42.	Simmons Communications	243,826	(12/88)
43.	Cencom Cable	240,000	(12/88)
44.	Communications Service Inc.	228,526	(12/88)
45.	Hauser Communications	221,000	(11/88)
46.	Service Electric Cable TV Inc.	220,000	(8/88)
47.	Taft Cablepartners	207,880	(6/88)
48.	Greater Media	183,627	(11/88)
49.	Media General	167,261	(12/88)
50.	Harron Communications	167,261	(12/88)
51.	Sutton Capital Group	167,000	(12/88)
52.	Columbia International	166,423	(12/88)
53.	U.S. Cable Corp.	152,000	(12/88)
54.	Insight Communications	152,000	(12/88)
55.	Palmer Communications	151,585	(12/88)
56.	Armstrong Utilities	148,265	(12/88)
57.	McDonald Group	142,548	(4/87)
58.	Triax Communications	141,000	(6/88)
59.	Northland Communications	133,602	(12/88)
60.	Summit Communications	132,713	(12/88)
61.	Cable Systems USA	132,462	(12/88)
62.	Bresnan Communications	124,058	(12/88)
63.	King Videocable	120,740	(12/88)
64.	Sonic Communications	118,000	(12/88)
65.	Booth Communications	116,480	(12/88)
66.	Susquehanna Broadcasting	112,205	(12/88)
67.	Midcontinent Cable Systems Co.	102,672	(8/88)
68.	United Video Management	100,641	(12/88)
69.	Pencor Services	96,678	(12/88)
70.	First Carolina Communications	93,860	(12/88)
71.	Omega Communications	90,500	(3/88)
72.	WEHCO Video	90,038	(8/88)
73.	Selkirk Communications	74,428	(8/88)
74.	Coaxial Communications	74,000	(12/88)
75.	Gilbert Media	72,000	(12/88)
76.	Rock Associates	67,802	(5/88)
77.	Chanbers Communications Corp.	63,530	(12/88)
78.	Douglas Communications	60,364	(12/88)
79.	Cardinal Comunications	58,900	(12/88)
80.	James Cable Partners	58,811	(12/88)
81.	Hearst Communications Of California	57,410	(12/88)
82.	Prestige Cable TV Inc.	56,514	(12/88)
83.	C-TEC Cable Systems	56,250	(12/88)
84.	Joseph Gans Cable TV	54,000	(12/88)
85.	State Cable TV	53,700	(12/88)
86.	Pagnotti Inc.	52,590	(12/88)
87.	Telesat Cablevision Inc.	52,590	(12/88)
88.	Leonard Communications	51,700	(12/88)
89.	Bachow & Elkin Communications	50,711	(12/88)
90.	Galaxy Cablevision	50,612	(12/88)
91.	Helicon Corp.	50,000	(3/88)
92.	Barden Cablevision	50,000	(12/88)
93.	New England Cablevision	49,586	(6/88)
94.	Donrey Media Group	45,585	(12/88)
95.	CableAmerica	42,337	(5/88)
96.	CableSouth Inc.	41,537	(12/88)
97.	Eastern Connecticut Cable TV	41,444	(9/88)
98.	Fanch Communications	41,000	(11/88)
99.	Star Cable Associates	40,000	(12/88)
100.	Acton Corp.	38,500	(12/87)

Subscriber counts are provided by MSOs and systems to Cable Vision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 432 park Avenue So., Ste 1010, New York, NY 10016.*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	311,107	(12/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	245,000	(3/88)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
6.	Puget Sound, WA	Viacom	203,000	(6/88)
7.	Phoenix, AZ	Times Mirror	200,000	(10/88)
8.	Honolulu, HI	ATC	194,000	(3/88)
9.	Houston, TX	Warner	189,104	(6/88)
10.	Hartford/Plainville/Vernon, CT	United	172,289	(5/88)
11.	Chicago (suburbs)	Continental	168,000	(4/88)
12.	Wayne, NJ	UA Cablesystems	166,241	(6/88)
13.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
14.	Rochester, NY	ATC	163,000	(10/88)
15.	Englewood, CO	United	161,002	(5/88)
16.	Cincinnati, OH	Warner	158,929	(5/88)
17.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
18.	Fairfax, VA	Media General	157,000	(11/88)
19.	Atlanta, GA	Prime Cable	153,557	(3/88)
20.	Tulsa, OK	United	153,454	(12/88)
21.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
22.	Connecticut Complex	Cablevision Systems	151,757	(12/88)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Orlando,FL	ATC	143,500	(6/87)
25.	San Jose/Campbell, CA	Heritage	137,962	(8/88)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Baltimore County, MD	Comcast	136,096	(6/88)
28.	Manhattan, NY	Paragon	136,000	(4/88)
29.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
30.	St. Louis Co., MO	Cencom Cable	131,715	(12/88)
31.	Charlotte, NC	ATC	128,000	(3/88)
32.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
33.	San Francisco, CA	Viacom	123,000	(6/88)
34.	Pompano, FL	Continental	123,000	(4/88)
35.	Martin/Stuart Co., FL	Centel	125,486	(11/88)
36.	San Diego, CA	ATC	121,000	(3/88)
37.	Long Island, NY	Viacom	120,700	(3/88)
38.	Austin, TX	ATC	119,000	(3/88)
39.	Seattle, WA	TCI	112,500	(12/87)
40.	Warren, NJ	TKR	112,116	(7/88)
41.	Toledo, OH	Blade Communications	108,861	(5/88)
42.	Dallas, TX	Heritage	107,680	(5/88)
43.	Southeast Michigan	Comcast	104,803	(6/88)
44.	San Juan, PR	Multivision Cable	104,757	(12/86)
45.	Grand Rapids, MI	UA Cablesystems	103,661	(6/88)
46.	Wilmington, DE	Heritage	103,255	(5/88)
47.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
48.	Pinellas County, FL	Newhouse	100,614	(6/88)
49.	Brooklyn/Queens, NY	Warner	100,000	(1/89)
50.	Tacoma, WA	Viacom	99,000	(6/88)
51.	Raleigh/Durham, N.C.	ATC	98,000	(3/88)
52.	Chicago Suburbs, IL	Centel	98,000	(11/88)
53.	Indianapolis, IN	Comcast	97,790	(6/88)
54.	Boston, MA	Cablevision Systems	96,971	(12/88)
55.	Escondido, CA	Times Mirror	96,519	(4/88)
56.	Richmond, VA	Continental	95,294	(12/88)
57.	Dade/Broward, FL	Storer	94,577	(5/88)
58.	Worcester Complex, MA	Greater Media	92,148	(12/88)
59.	Pittsburgh, PA	TCI	91,000	(12/87)
60.	Nashville, TN	Viacom	90,000	(6/88)
61.	Tampa, FL	Paragon	90,000	(10/88)
62.	Chicago, IL	Group W	89,500	(7/88)
63.	Jackson MS/Monroe LA	ATC	89,000	(3/88)
64.	Naples, FL	Palmer	88,905	(12/88)
65.	Milwaukee, WI	Warner	88,126	(5/88)
66.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
67.	Las Vegas, NV	Prime Cable	86,852	(5/88)
68.	Orange County, CA	Times Mirror	86,607	(4/88)
69.	Greensboro, NC	ATC	86,000	(3/88)
70.	Dover/Morristown, NJ	Sammons	82,871	(5/88)
71.	Portland, OR	Rogers	82,587	(6/88)
72.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
73.	South Bend, IN	Heritage	80,776	(5/88)
74.	Oakland County, MI	United	80,564	(5/88)
75.	New Orleans, LA	Cox Cable	80,348	(3/88)
76.	Independence,MO	Jones	79,897	(11/88)
77.	Baton Rouge, LA	UA Cablesystems	79,586	(4/88)
78.	Albuquerque, NM	Jones Intercable	79,199	(10/88)
79.	Akron, OH	Warner	79,070	(5/88)
80.	Hillsborough, FL	Paragon	79,000	(4/88)
81.	Columbus, OH	Warner	78,454	(5/88)
82.	Indianapolis,IN	ATC	78,000	(3/88)
83.	St. Petersburg, FL	Paragon	78,000	(4/88)
84.	Medford Complex Boston Suburbs, MA	Warner	77,167	(5/88)
85.	South Texas, TX	Heritage	77,160	(5/88)
86.	Fresno, CA	Continental	76,326	(9/88)
87.	Cleveland Heights, OH	Viacom	76,000	(6/88)
88.	Allentown, PA	Service Electric	75,000	(9/87)
89.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
90.	Fayetteville, NC	ATC	74,000	(3/88)
91.	Flint, MI	Comcast	72,923	(6/88)
92.	Little Rock, AR	Storer	72,681	(5/88)
93.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
94.	Omaha, NE	Cox Cable	73,361	(3/88)
95.	Ocean County, NJ	Adelphia	72,355	(3/88)
96.	Pleasant Hill, CA	WestMarc Communications	72,344	(12/88)
97.	Lincoln, RI	Heritage	71,625	(5/88)
98.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
99.	Des Moines, IA	Heritage	70,148	(5/88)
100.	Santa Monica, CA	Century	69,900	(12/86)

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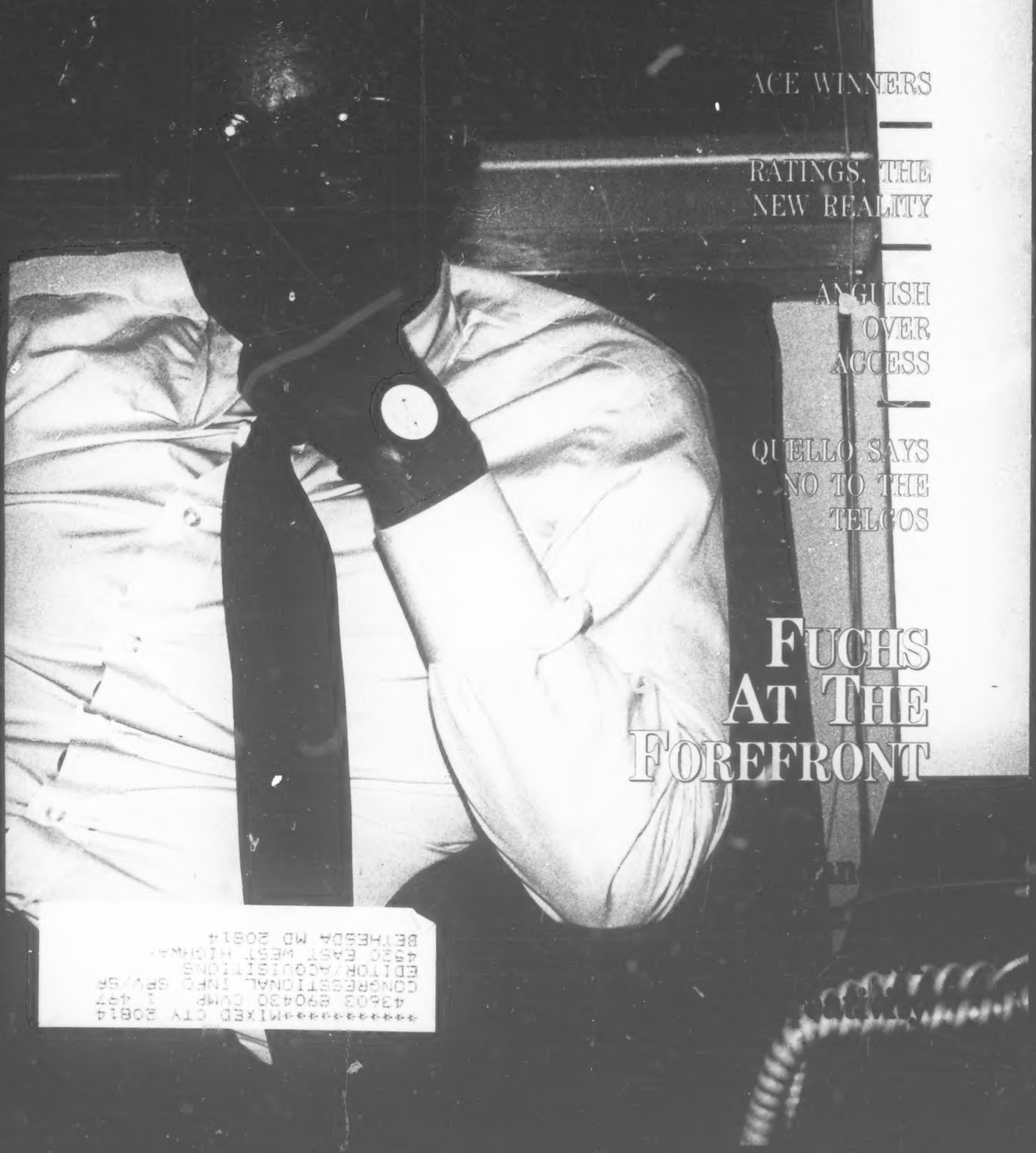
CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

JANUARY 30, 1989



ACE WINNERS

RATINGS, THE NEW REALITY

ANGUISH OVER ACCESS

QUELLO SAYS NO TO THE TELCOS

FUCHS AT THE FOREFRONT

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INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT JANUARY 30, 1989

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WHAT'S A CHANNEL WORTH?

Type of Service	Contribution to Net Operating Income
Local Broadcast	$3.00 - 5.00
Pay	1.00 - 4.00
Superstations	.30 - .50
Basic Cable	.10 - .40

Source: United Cable Channel Study; BBC

Relating ratings to ROI

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ABP BPA

The unsure reality of ratings and value

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By Wayne Friedman

WHAT'S A CHANNEL WORTH?

Type of Service	Contribution to Net Operating Income
Local Broadcast	$3.00 - 5.00
Pay	1.00 - 4.00
Superstations	.30 - .50
Basic Cable	.10 - .40

Source: United Cable Channel Study; BBC

A paradox arises when cable operators speak about the value of individual channels on their systems. On the one hand, operators concede that broadcast stations command the lion's share of viewing, and that if those channels were dropped a system might lose a significant number of subscribers. But on the other hand, operators still contend that cable programming is the reason people buy cable, and not simply for clear reception of over-the-air signals.

Operators only recently have begun assessing the value of channels, in large part because of traditional regulatory restraints in the form of must-carry rules and, significantly, limited channel capacities. One such attempt at determining the performance of particular channels has come in a model created by Nimrod Kovacs, vice president of marketing and programming at United Cable, and a study by Bortz Browne Coddington.

In structuring a model that could guide system managers when mulling lineup changes, Kovacs found that, in terms of cash flow per subscriber, broadcast affiliates contribute the most value, followed by independent stations and pay television in a tie for second place. In the third spot are what Kovacs calls first-tier basic channels: ESPN, WTBS and MTV. Fourth position is occupied by second-tier basic channels such as TNN and Lifetime. In fifth position are the home shopping services and The Weather Channel. In sixth spot are the local origination channels and alphanumeric services. Kovacs, who first unveiled his research at last year's CTAM convention, declines to reveal the actual worth of each channel under his model.

But these value rankings aren't etched in stone, says Kovacs, and often will be altered by such factors as peculiar local interests, the number of local avails, co-op marketing revenue, license fees, copyright costs, political considerations and other influences. "It's really a guide when to reshuffle the lineup. It's not a hard and fast rule," he says of his model, which closely mirrors each television venue's ratings.

An average $25 a month cable bill was used for this model. This multiplied by an average 35 percent system cash flow rate yields $9 in cash flow per sub per month. This then is broken down according to a value assigned to each channel; broadcast networks accounting for the largest piece of the cash flow pie, LO channels the smallest.

Kovacs' model mimics consumer perceptions of the worth of over-the-air stations in terms of ratings. Based on that perception, it follows that if cable systems couldn't or refused to carry broadcast affiliates or independent stations, they wouldn't get many subscribers. Further to that point, Howard Horowitz, president of Horowitz Associates, a New York cable consulting firm, reiterates a factor often mentioned in surveys of cable customers: "(Cable service is) valuable because of convenience and reception."

Indeed, if cable systems no longer carried off-air signals, Marc Nathanson, president of Falcon Cable Television, believes they would lose 50 percent of their pay and basic customers and around 70 percent of basic-only subscribers.

There are few doubters among cable executives that ratings have become an increasingly important element in determining value, but at the same time some cable services that will never aspire to big numbers can't be dismissed. "There are two related but separate strategies," says Edward Bennett, executive vice president of Viacom Cable. "On the one hand, we are looking for high-rated, mass appeal programming, which is a natural evolution of the business.

> 'We can't get away from the fundamental value of what cable continues to be... and part of that is producing high quality programming that gets lower ratings.'
>
> *—Ed Bennett, executive vice president, Viacom Cable*

On the other hand, we can't get away from the fundamental value of what cable continues to be... and part of that is producing high quality programming that gets lower ratings." This last point can also pertain to local stations. Rod Thole, executive vice president of Heritage Communications, says even badly-rated independents probably wouldn't be banished.

Although most recognize that broadcast affiliates garner more than half of the total-day audience, and that independents attract an additional 16 percent of viewing (not including superstations, which draw around 30 percent), operators by and large don't translate those ratings into actual dollars per sub. Nathanson believes that a typical $14 a month package of basic or bonus-to-basic channels would not be reduced in price if cable systems didn't carry local stations. "Cable is the biggest bargain there is," says Nathanson, who says he would price cable the same without off-airs. United's Kovacs would do the same.

So, although perhaps 70 percent of the viewing goes to over-the-air stations, to some operators those stations aren't worth a proportional share of the monthly cable bill. Why? Because, cable executives contend that, given that the population can receive a wealth of off-airs without cable, subscribers are paying almost all their dollars for cable channels.

"From a marketing point of view, you are not delivering those (broadcast channels), you are giving those (channels) away," says Horowitz. He figures that, at most, off-air stations might be worth $2-$3 in a $14 cable package. The value of off-airs, then, is the foot in the door. "You can't get in the home unless you have them," he says.

Kovacs' model and a Bortz Browne Coddington survey so impressed Preston Padden, president of the Association of Independent Television Stations, that he cited some BBC data in a presentation to the U.S. Telephone Association, a potential entrant into video delivery. The BBC study attempted to relate categories of channels to net operating income for a cable system. The study assigns a value of $3-$5 to broadcast network affiliates and independent stations, $1-$4 to pay TV, 30-50 cents to superstations and 10-40 cents to basic services.

This new focus by cable operators in scrutinizing ratings arises primarily as a means of evaluating their suddenly escalating costs of carrying some basic cable networks. But to do this completely and accurately, broadcast stations must be included in the mix. Nathanson says he longs for the day when ratings could easily and cheaply be measured on a system-by-system basis. Then he could more closely relate those ratings to cable network license fees.

The increasing importance of ratings has caused some cable executives to reassess the factors they consider when making up the basic lineup, particularly in deciding changes in the package. Kovacs even suggested at a CTAM conference that "we all need to be acting like (NBC program head) Brandon Tartikoff," that is, more like programmers who pick and choose, constantly tinkering with the lineup for maximum benefit.

INTV's Padden agrees, but with one exception. "Brandon Tartikoff has to pay for his programming." Cable systems don't pay for broadcast network or independent station programming because of the compulsory license. They do pay copyright fees, however, when carrying distant signals.

While ratings, and how that translates into value, now means little to the typical cable operator, as the industry grows it may well become more dependent on those numbers as the advertising portion of cable revenues increase for the operator and the cable programmer.

In the future, then, perhaps Nathanson's correlation between ratings and program costs could become more of a reality. This has long been the accepted practice of broadcast stations in buying programming. Station general managers feel it should be the same when cable operators retransmit their programming. "Don't we provide all the programming for free?" says John Serrao, general manager of WATL-TV Atlanta. Serrao asserts that "every channel could be thrown off in Atlanta (by area cable operators). Why don't they do it?" The answer is simple, he says: broadcast stations represent tremendous viewer value, and cable operators are just now beginning to realize it. ■

What's On The Pays/February

Cinemax

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
[illegible]	R	Skouras
Best Seller	R	Hemdale
But Not For Me	NR	Paramount
11th Commandment	NR	MCEG
Five Corners	R	Cineplex Odeon
Moving	R	Warner Bros.
Nightstick	R	ITC
The Raid	NR	20th Century-Fox
Sign O' The Times	PG-13	Cineplex Odeon
Switching Channels	PG	Tri-Star
The Telephone	R	New World
Travelling North	PG-13	Cineplex Odeon
Tanks	R	[illegible]

Original Programming/Specials

A Blues Session: B.B. King & Friends
[illegible] The [illegible]: Forever James Dean
Jazz Movie Shorts

Highlights

Batteries Not Included	PG	Universal
Comedy Experiment: Elayne Boosler		
Border/The Cell		My Life As A Dog
PG-13	Skouras	

Batteries Not Included

Cinderella	G	Disney
Here Comes The Groom	NR	Paramount
Minstrel Man	NR	Viacom
Mustang	NR	Disney
Peter-No-Tail In America	G	Atlantic
Return Of The Big Cat	NR	Disney

Original Programming/Specials

Kaleidoscope Concert: Cano & Craig
Videopolis: Star Tracks

Highlights

Bugs Bunny Superstar	G	Warner Bros.
[illegible]'s Daughter	NR	Australian World
Olympic Dreams... The Follow-Up		

Bugs Bunny Superstar

The Disney Channel

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
A Boy Named Charlie Brown	G	CBS
Angel & The Badman	NR	Hal Roach
The Boy In The Plastic Bubble	NR	20th Century-Fox

HBO

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Bulletproof	R	Cinetel
China Girl	R	Vestron
For Keeps	PG-13	Tri-Star
Foreign Body	PG-13	Orion
Kandyland	R	New World
Masquerade	R	MGM/UA
Maurice	PG-13	Cinecom
Nowhere To Hide	R	New Century

The Perfect Match	PG	Manson
The Rosary Murders	R	Sam Goldwyn
Separate Vacations	R	New Century
Someone To Watch Over Me	R	Columbia
The Squeeze	PG-13	Tri-Star
Switching Channels	PG	Tri-Star
You Can't Hurry Love	R	Vestron

Original Programming/Specials

Family Playhouse: Just A Regular Kid--An AIDS Story
One Night Stand: Judy Tenuta/Kevin Meaney
Sports Illustrated…The Making Of The Swimsuit Issue
World Championship Boxing: Lloyd Honeyghan Vs. Marlon Starling

Highlights

Batteries Not Included	PG	Universal
Full Metal Jacket	R	Warner Bos.
Glory!Glory!		

Full Metal Jacket

The Movie Channel

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Assassination	PG-13	Cannon
The Barbarians	R	Cannon
Bulletproof	R	Cinetel
The Couch Trip	R	Orion
Ernest Goes To Camp	PG	Touchstone
Firewalker	PG	Cannon
Five Corners	R	Cineplex Odeon
The Gospel According To Vic	PG-13	New Century
Hot Pursuit	PG-13	Paramount
Modern Girls	PG-13	Atlantic
Riders Of The Storm	R	Miramax
The Rosary Murders	R	Sam Goldwyn
Separate Vacations	R	New Century
Switching Channels	PG	Tri-Star
Tai-Pan	R	DEG
Travelling North	PG-13	Cineplex Odeon

Highlights

Batteries Not Included	PG	Universal
Eddie Murphy Raw	R	Paramount
My Life As A Dog	PG-13	Skouras
Planes, Trains & Automobiles	R	Paramount

Eddie Murphy Raw

Showtime

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
The Adventures Of Mark Twain	G	Atlantic
The Barbarians	R	Cannon
The Boy In The Plastic Bubble	NR	20th Century-Fox
Cop	R	Atlantic
Dudes	R	Carolco
Ernest Goes To Camp	PG	Touchstone
Foreign Body	PG-13	Orion
Maid To Order	PG	Carolco
Nomads	R	Atlantic
Quiet Cool	R	Universal
Switching Channels	PG	Tri-Star
Tai-Pan	R	DEG

Original Programming/Specials

The Aspen Comedy Festival
Comedy Spotlight: Penn & Teller's Invisible Thread
A Gleason Celebration

Highlights

Batteries Not Included	PG	Universsal
Best Of Showtime Coast To Coast		
Eddie Murphy Raw	R	Paramount
Planes, Trains & Automobiles	R	Paramount

Planes, Trains & Automobiles

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	387	9,000,000
Alternate View Network	250	4,000,000
Arts & Entertainment (A&E)	2,800	37,000,000
Black Entertainment Television	1,800	21,197,000
Cable News Network	11,860	49,565,000
Cable Value Network	1,850	21,000,000
CBN Family Channel	8,303	43,769,000
C-SPAN	3,100	41,500,000
C-SPAN II	575	16,500,000
Country Music Television	862	8,000,000
The Discovery Channel	4,643	37,627,000
Eco	300	1,000,000
ESPN	9,500	50,132,000
Eternal Word Television Network	490	10,800,000
Family Guide Network	60	4,500,000
FamilyNet	54	1,200,000
The Fashion Channel	650	10,100,000
Financial News Network	3,500	33,000,000
FNN/Score	1,600	19,800,000
FNN/TelShop	1,350	14,800,000
Headline News	3,410	34,911,000
Home Shopping Network	1,413	16,074,151
Home Shopping Network II	321	5,699,732
The Inspirational Network	920	10,000,000
International Television Network	56	7,868,900
The Learning Channel	935	14,600,000
Lifetime	3,800	41,728,000
Mind Extension University	84	2,200,000
Movietime	200	7,500,000
MTV	5,220	44,433,000
Movietime	342	11,500,000
The Nashville Network	7,741	43,211,000
Network 1 USOA	N.A.	N.A.
Nick At Nite	3,395	39,600,000
Nickelodeon	6,485	43,679,000
The Nostalgia Channel	305	4,000,000
Prevue Guide	200	5,300,000
QVC Network	1,033	13,700,000
RFD TV	N.A.	N.A.
Shop Television Network	119	4,600,000
Silent Network	404	12,300,000
Superstation TBS	9,426	47,943,000
Tempo Television	827	12,400,000
TNT	1,512	23,000,000
The Travel Channel	400	11,000,000
Trinity Broadcasting Network	700	8,500,000
Univision	340	N.A.
USA Network	10,100	46,433,000
VH-1	2,300	30,000,000
Vision Interfaith Satellite Network	215	6,200,000
The Weather Channel	3,600	37,101,000
WGN-TV	11,415	24,900,000
WWOR-TV	2,575	12;460,000
WPIX-TV	858	9,678,474

Bonus/basic services

American Movie Classics	1,500	14,500,000
Bravo	350	1,500,000

Pay services

American Exxxtasy	35	27,000
Cinemax	3,650	5,700,000
The Disney Channel	5,000	4,000,000
Home Box Office	7,400	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	526	470,000
Showtime	6,000	6,300,000

Audio services

Cable Radio Network	49	1,556,736
Galatic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,578,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000

Computer services

DBC/MarketWatch	462	9,200,000
X*Press Executive	457	6,100,000
X*Press X*Change	457	6,100,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Fuji Network	3	12,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Pay services

Nippon Golden Network	5	13,600

Interactive services

Basic services	Affiliates	Subscribers
Telaction	4	30,000
Video Jukebox Network	9	268,000

Regional services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	177,000
Bay Area Religious Channel	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,000,000
KTVT	417	3,600,000
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,500,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	532,000
Prime Cable	9	381,938
Prime Sports Network	N.A.	250,000
Prime Ticket	55	3,000,000
Sportsvision	50	1,507,270
Sunshine Network	112	1,700,000

Pay services

Home Sports Entertainment	196	684,740
Home Team Sports	114	1,000,000
New England Sports Network	160	301,131
Prism	87	427,000
Pro-Am Sports	140	301,000
SportsChannel (Florida)	10	470,000
SportsChannel (New England)	147	1,028,431
SportsChannel (New York)	94	1,300,000
Z Channel	65	110,010

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.
N/A denotes information not available.

Announced services

Satellite-fed services	Expected launch
ATV: Advertising Television	TBA
CD/8: The Digital Music Network	6/89
CNBC	4/89
The Computer Channel	5/89
Digital Cable Radio	4th Quarter 1989
Digital Radio Channel	1st Quarter 1989
Interactive Game Network	3rd Quarter 1989
Kids Information Network	1st Quarter 1989
The Landscape Channel	1st Quarter 1989
Laugh TV	1st Quarter 1989
Maximum Entertainment Network	9/89
Mizlou Sports News Network	2nd Quarter 1989
Spanish TV News Network	1/89
Talk Television	1st Quarter 1989

Non satellite-fed services	Expected launch
ACTV	4th Quarter 1989
Consumer Classified Ad Network	1st Quarter 1989
Main Street	2nd Quarter 1989
On Demand/UTV TV Network	4th Quarter 1989

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT FEBRUARY 13, 1989

'89 FINANCIAL FORECAST

CABLE PASSES HDTV TRIAL

RURAL MARKETING

PRIME SLAPPED

CO-VENTURES, THE A&E GAMBIT

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT FEBRUARY 13, 1989

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Prodigy may need cable. 12
Rising phone charges for delivery of Prodigy, the Sears/IBM venture many feel is the last hope of videotex, may bring cable into the picture.

Delays endanger UAE merger. 12
The United/Daniels/UACI merger is again postponed due to regulatory considerations, and some say terms of the deal may have to be restructured.

Jones adds another CAN. 20
Pleased with progress on the Florida fiber rebuild using its CAN system, Jones says it will team with Anixter for a similar rebuild in Augusta, Ga.

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Learning to sell in small towns. 33
You know that urban marketing is pretty sophisticated, but small town operators also are adopting some innovative sales tactics, with a human face.

Cable's first HDTV test. 38
In Maryland, officials watch cautiously as high-definition TV signals are fed over a 'no-frills' system, then smile at the pleasing results.

Wall Street's bright outlook. 43
Amid subsiding fears of the telco threat and re-regulation, the stock market is again bullish on cable, making for a bright outlook for the year ahead.

Wall Street bulls are back

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CENTEL CABLE'S 1988 FINANCIAL/SUBSCRIBER PERFORMANCE

(all dollar numbers are in thousands)

	Revenues	Operating Cash Flow	Net Income	Basic Subs	Pay Units
First Quarter	$36,666	$14,235	$1,806	535,952	374,763
Second Quarter	37,795	14,724	2,105	543,332	370,519
Third Quarter	38,611	14,877	2,334	553,123	379,347
Fourth Quarter	40,599	16,282	2,259	577,900	N.A.
Total 1987	$130,117	$47,302	$ 424	521,400	365,800
Total 1988	$153,671	$60,118	$ 8,504	577,900	N.A.

Seriously bidding for Centel

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COVER PHOTOGRAPH

Nickolas Davatzes and the A&E gambit

Photo by Lou Manna

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ABP BPA

Fishing shows catching on

Fishing programs, it would seem, are not the engines cable networks are relying on to drive penetration—given the focus on professional baseball and football. Still, the more narrowly targeted fishing and outdoor shows do have their place, and this year both ESPN and The Nashville Network are adding more hooking and reeling action to their schedules.

Bill Dance has hooked on with TNN

On Saturday morning ESPN has added three new shows, *Crooked Creek*, a half-hour travel and fishing show at 8 a.m., and two half-hour outdoor shows, *Sportsman Challenge* at 8:30 and *Jimmy Houston Outdoors* at 9. This brings a total of five outdoor/fishing programs to the sports network. These new programs boost the network's commitment to counterprogramming the array of childrens shows during the time period, according to one spokesman. ESPN's outdoor/fishing block runs from 7:30-10 a.m.

TNN, which has built much of its success around *Bassmasters*, averaging in its three Sunday airings a 2.3 to 3.0 Nielsen rating, will receive more air time this year. Where the show ran only 26 weeks a year, TNN is extending its schedule to year-round. In addition, TNN is adding *Bill Dance Outdoors*. This gives TNN a 11:30-2:30 p.m. (EST) fishing/outdoor programming block.

Snatching Bill Dance from ESPN is a big coup in the eyes of TNN General Manager David Hall. "It was an excellent opportunity to bring a top-notch show to the network," says Hall. He says Dance became disillusioned with ESPN because his show wasn't running in consistent time periods week-to-week. At TNN, *Dance* is averaging a 1.2 over four weeks in a 2 p.m. time slot; last year on ESPN for 13 shows *Dance* averaged a 0.9.

TNN's move with *Bassmasters* running year round is just part of an overall strategy in shifting the business. "The fishing business is always a first- and , second-quarter business," says Hall, "(but) there are some advertisers who (now) see it as a year-round business.... We have a franchise on fishing. We decided to go ahead with *Bassmasters* to see if we know what we are thinking about." Is there enough advertising to keep these shows afloat? "It's going to be close," says Hall.

—Wayne Friedman

Top Basic Cable Sports Programs
January 23-January 29

	Date	Net	Program	Rating	Homes
1.	Jan. 29	ESPN	NFL Pro Bowl	8.3	4,158,000
2.	Jan. 23	ESPN	College B'ball: Indiana-Michigan	3.5	1,754,000
3.	Jan. 26	ESPN	College B'ball: Duke-N.C. State	2.9	1,453,000
4.	Jan. 23	ESPN	College B'ball: St. John's-Georgetown	2.8	1,403,000
5.	Jan. 24	ESPN	Top Rank Boxing: Tate-Bills	2.5	1,253,000
6.	Jan. 29	ESPN	SportsCenter	2.5	1,253,000
7.	Jan. 29	ESPN	NFL All-Pro Team	2.4	1,202,000
8.	Jan. 29	ESPN	Battle of the Monster Trucks	2.1	1,052,000
9.	Jan. 24	WTBS	NBA: Sonics-Trailblazers	2.0	939,000
10.	Jan. 25	ESPN	College B'ball: Kansas St.-Okla. St.	1.7	852,000
11.	Jan. 27	WTBS	NBA: Mavericks-Spurs	1.7	805,000

PROGRAMMING

Pay-Per-View Supply Chart

February

Source

The Blob **Tri-Star**
MPAA Rating: R Running Time: 95 mins.
Cast: Kevin Dillon, Shawnee Smith, Donovan Leitch, Candy Clark

Dark Eyes **Island**
MPAA Rating: NR Running Time: 117 mins.
Cast: Marcello Mastroianni, Marthe Keller

Destroyer **TMS**
MPAA Rating: R Running Time: 95 mins.
Cast: Lyle Alzado, Deborah Foreman, Anthony Perkins

Demons II **Imperial**
MPAA Rating: R Running Time: 88 mins.
Cast: David Knight, Bobby Rhodes, Virginia Bryant

Die Hard **20th Century-Fox**
MPAA Rating: R Running Time: 132 mins.
Cast: Bruce Willis, Bonnie Bedelia

Epitaph **City Lights**
MPAA Rating: R Running Time: 94 mins.
Cast: Natasha Pavlova, Delores Nascar, Jim Williams

Fear **Cinetel**
MPAA Rating: R Running Time: 96 mins.
Cast: Cliff De Young, Kay Lenz, Frank Stallone

Hot To Trot **Warner Bros.**
MPAA Rating: PG Running Time: 84 mins.
Cast: Bob Goldthwait, John Candy, Dabney Coleman, Virginia Madsen

The Great Outdoors **Universal**
MPAA Rating: R Running Time: 91 mins.
Cast: Dan Aykroyd, John Candy

The Lighthorsemen **Sage**
MPAA Rating: PG Running Time: 116 mins.
Cast: Anthony Andrews, Sigrid Thornton

Made In USA **HBO**
MPAA Rating: R Running Time: 81 mins.
Cast: Christopher Penn, Lori Singer

Phantasm II **Carolco**
MPAA Rating: R Running Time: 104 mins.
Cast: James Le G4ros, Reggie Bannister, Paul Irving

Red Heat **Tri-Star**
MPAA Rating: R Running Time: 104 mins.
Cast: Arnold Schwarzenegger, Jim Belushi, Peter Boyle

Straight To Hell **Island**
MPAA Rating: R Running Time: 95 mins.
Cast: Dennis Hopper, Elvis Costello, Grace Jones

Vibes **Columbia**
MPAA Rating: PG Running Time: 100 mins.
Cast: Jeff Goldblum, Cyndi Lauper, Peter Falk

Young Guns **20th Century-Fox**
MPAA Rating: R Running Time: 107 mins.
Cast: Emilio Estevez, Lou Diamond Phillips, Charlie Sheen, Kiefer Sutherland

March

Source

A Fish Called Wanda **MGM/UA**
MPAA Rating: R Running Time: 109 mins.
Cast: Jamie Lee Curtis, John Cleese, Kevin Kline

Bull Durham **Orion**
MPAA Rating: R Running Time: 108 mins.
Cast: Kevin Costner, Tim Robbins, Susan Sarandon

Caddyshack II **Warner Bros.**
MPAA Rating: PG Running Time: 98 mins.
Cast: Jackie Mason, Dan Aykroyd, Chevy Chase, Dyan Cannon

The Dead Pool **Warner Bros**
MPAA Rating: R Running Time: 92 mins.
Cast: Clint Eastwood

Midnight Run **Universal**
MPAA Rating: R Running Time: 127 mins.
Cast: Robert DeNiro, Charles Grodin, Yaphet Kotto

Nightfall **MGM/UA**
MPAA Rating: PG-13 Running Time: 82 mins.
Cast: David Birney, Sarah Douglas

Poltergeist III **MGM/UA**
MPAA Rating: PG-13 Running Time: 96 mins.
Cast: Nancy Allen, Tom Skerritt

The Presidio **Paramount**
MPAA Rating: R Running Time: 97 mins.
Cast: Sean Connery, Mark Harmon, Meg Ryan

The Rejuvenator **Sage**
MPAA Rating: R Running Time: 88 mins.
Cast: Vivian Lanko, John MacKay

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events.	1,000,000
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,300,000
Request Television	November 27, 1985	R-1: Satcom III-R, tr.19 R-2: Satcom III-R, tr.4	VideoCipher II	Two channels offering movies and special events	3,300,000
Tuxxedo Network	December 1, 1987	Galaxy II, tr. 10	VideoCipher II	Adult movies and special events.	304,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Two channels of movies and special events	4,600,000
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: movies. Channel 2: Cult movies, and rental video favorites. Channel 3: Additional plays of Chs. 1/2 titles. Channel 4: previes and barker information.	60,000

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,977,790	(12/88)
2.	American Television & Communications Corp.	3,900,000	(12/88)
3.	Continental Cablevision	2,302,000	(12/88)
4.	Warner Cable Communications	1,529,000	(1/89)
5.	Storer Cable Communications	1,516,623	(12/88)
6.	Cox Cable Communications	1,465,245	(12/88)
7.	Comcast	1,410,000	(12/88)
8.	UA Cablesystems	1,339,729	(10/88)
9.	United Cable	1,251,884	(12/88)
10.	Jones Intercable	1,165,433	(1/89)
11.	Newhouse Broadcasting	1,123,634	(12/88)
12.	Cablevision Systems Corp.	1,120,729	(1/89)
13.	Viacom Cable	1,114,500	(12/88)
14.	Heritage Communications	1,078,085	(12/88)
15.	Cablevision Industries	1,050,771	(1/89)
16.	Times Mirror Cable TV	997,156	(1/89)
17.	Sammons Communications	853,868	(12/88)
18.	Century Communications	774,439	(12/88)
19.	Paragon Communications	703,000	(1/89)
20.	Cooke Cablevision	692,790	(12/88)
21.	Adelphia Communications	682,000	(12/88)
22.	Falcon Cable TV	630,000	(12/88)
23.	Centel Cable	567,117	(12/88)
24.	Telecable Corp.	560,000	(12/88)
25.	WestMarc Communications	558,025	(1/89)
26.	Rogers Cablesystems Inc.	529,708	(12/87)
27.	Scripps-Howard	501,000	(12/88)
28.	Prime Cable	455,123	(12/88)
29.	Tele-Media	413,885	(12/88)
30.	Post-Newsweek Cable	396,000	(12/88)
31.	Multivision Cable TV	381,627	(4/88)
32.	Lenfest Group	347,351	(11/88)
33.	TCA Group	337,999	(1/88)
34.	Maclean Hunter Cable TV	331,599	(12/88)
35.	Multimedia Cablevision	313,167	(4/88)
36.	Rifkin & Associates	304,000	(12/88)
37.	Colony Communications	301,576	(12/88)
38.	TKR Cable	268,195	(12/88)
39.	Western Communications	260,742	(12/88)
40.	Star Cablevision Group	251,629	(12/88)
41.	Simmons Communications	243,826	(12/88)
42.	Cencom Cable	240,000	(12/88)
43.	Communications Service Inc.	228,526	(12/88)
44.	Hauser Communications	226,000	(1/89)
45.	Service Electric Cable TV Inc.	220,000	(8/88)
46.	Greater Media	183,627	(11/88)
47.	Media General	167,261	(12/88)
48.	Harron Communications	167,261	(12/88)
49.	Sutton Capital Group	167,000	(12/88)
50.	Columbia International	166,423	(12/88)
51.	Palmer Communications	154,597	(1/89)
52.	U.S. Cable Corp	152,000	(12/88)
53.	Insight Communications	152,000	(12/88)
54.	Armstrong Utilities	148,265	(12/88)
55.	McDonald Gipup	142,548	(4/87)
56.	Triax Communications	141,000	(6/88)
57.	Cable Systems USA	133,959	(12/88)
58.	Northland Communications	133,602	(12/88)
59.	Summit Communications	132,713	(12/88)
60.	Bresnan Communications	124,058	(12/88)
61.	King Videocable	120,740	(12/88)
62.	Sonic Communications	118,000	(12/88)
63.	Booth Communications	116,480	(12/88)
64.	Susquehanna Broadcasting	112,205	(12/88)
65.	Midcontinent Cable Systems Co.	102,672	(8/88)
66.	United Video Management	100,641	(12/88)
67.	Pencor Services	96,678	(12/88)
68.	First Carolina Communications	93,860	(12/88)
69.	Omega Communications	90,500	(3/88)
70.	WEHCO Video	90,038	(8/88)
71.	Selkirk Communications	74,428	(8/88)
72.	Coaxial Communications	74,000	(12/88)
73.	Gilbert Media	72,000	(12/88)
74.	Rock Associates	67,802	(5/88)
75.	Chanbers Communications Corp.	63,530	(12/88)
76.	Douglas Communications	60,364	(12/88)
77.	Cardinal Comunications	58,900	(12/88)
78.	James Cable Partners	58,811	(12/88)
79.	Hearst Communications Of California	57,410	(12/88)
80.	Prestige Cable TV Inc.	56,514	(12/88)
81.	C-TEC Cable Systems	56,250	(12/88)
82.	Joseph Gans Cable TV	54,000	(12/88)
83.	State Cable TV	53,700	(12/88)
84.	Pagnotti Inc.	52,590	(12/88)
85.	Telesat Cablevision Inc.	52,590	(12/88)
86.	Leonard Communications	51,700	(12/88)
87.	Barden Cablevision	51,400	(1/89)
88.	Bachow & Elkin Communications	50,711	(12/88)
89.	Galaxy Cablevision	50,612	(12/88)
90.	Helicon Corp.	50,000	(3/88)
91.	New England Cablevision	49,586	(6/88)
92.	Donrey Media Group	46,585	(12/88)
93.	CableAmerica	42,337	(5/88)
94.	CableSouth Inc.	41,537	(12/88)
95.	Eastern Connecticut Cable TV	41,444	(9/88)
96.	Fanch Communications	41,000	(11/88)
97.	Acton Corp.	40,200	(11/88)
98.	Star Cable Associates	40,000	(12/88)
99.	Cable Holdings Inc.	36,200	(12/88)
100.	ParCable	35,210	(12/88)

Subscriber counts are provided by MSOs and systems to Cable Vision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 432 Park Avenue So., Suite 1010, New York, NY 10016.*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	312,183	(12/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	245,000	(3/88)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
6.	Puget Sound, WA	Viacom	203,000	(6/88)
7.	Phoenix, AZ	Times Mirror	200,000	(10/88)
8.	Houston, TX	Warner	196,800	(1/89)
9.	Honolulu, HI	ATC	194,000	(3/88)
10.	Hartford/Plainville/Vernon, CT	United	172,289	(5/88)
11.	Chicago (suburbs), Il	Continental	168,000	(4/88)
12.	Wayne, NJ	UA Cablesystems	166,241	(6/88)
13.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
14.	Cincinnati, OH	Warner	163,552	(1/89)
15.	Rochester, NY	ATC	163,000	(10/88)
16.	Englewood, CO	United	161,002	(5/88)
17.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
18.	Fairfax, VA	Media General	157,000	(11/88)
19.	Tulsa, OK	United	153,954	(12/88)
20.	Atlanta, GA	Prime Cable	153,557	(3/88)
21.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
22.	Connecticut Complex	Cablevision Systems	152,390	(12/88)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Orlando,FL	ATC	143,500	(6/87)
25.	San Jose/Campbell, CA	Heritage	140,000	(1/89)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Baltimore County, MD	Comcast	136,096	(6/88)
28.	Manhattan, NY	Paragon	136,000	(4/88)
29.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
30.	St. Louis Co., MO	Cencom Cable	131,715	(12/88)
31.	Charlotte, NC	ATC	128,000	(3/88)
32.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
33.	San Francisco, CA	Viacom	123,000	(6/88)
34.	Pompano, FL	Continental	123,000	(4/88)
35.	Martin/Stuart Co., FL	Centel	122,933	(11/88)
36.	San Diego, CA	ATC	121,000	(3/88)
37.	Long Island, NY	Viacom	120,700	(3/88)
38.	Austin, TX	ATC	119,000	(3/88)
39.	Seattle, WA	TCI	112,500	(12/87)
40.	Warren, NJ	TKR	112,116	(7/88)
41.	Toledo, OH	Blade Communications	108,861	(5/88)
42.	Dallas, TX	Heritage	107,680	(5/88)
43.	Chicago Suburbs, IL	Centel	105,948	(12/88)
44.	Southeast Michigan	Comcast	104,803	(6/88)
45.	San Juan, PR	Multivision Cable	104,757	(12/86)
46.	Grand Rapids, MI	UA Cablesystems	103,661	(6/88)
47.	Wilmington, DE	Heritage	103,255	(5/88)
48.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
49.	Pinellas County, FL	Newhouse	100,614	(6/88)
50.	Brooklyn/Queens, NY	Warner	100,000	(1/89)
51.	Tacoma, WA	Viacom	99,000	(6/88)
52.	Boston, MA	Cablevision Systems	98,888	(12/88)
53.	Raleigh/Durham, N.C.	ATC	98,000	(3/88)
54.	Indianapolis, IN	Comcast	97,790	(6/88)
55.	Richmond, VA	Continental	97,241	(12/88)
56.	Escondido, CA	Times Mirror	96,519	(4/88)
57.	Dade/Broward County, FL	Storer	94,577	(5/88)
58.	Worcester Complex, MA	Greater Media	92,148	(12/88)
59.	Naples, FL	Palmer	91,073	(1/89)
60.	Pittsburgh, PA	TCI	91,000	(12/87)
61.	Nashville, TN	Viacom	90,000	(6/88)
62.	Tampa, FL	Paragon	90,000	(10/88)
63.	Chicago, IL	Group W	89,500	(7/88)
64.	Jackson MS/Monroe LA	ATC	89,000	(3/88)
65.	Milwaukee, WI	Warner	88,126	(5/88)
66.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
67.	Las Vegas, NV	Prime Cable	86,852	(5/88)
68.	Orange County, CA	Times Mirror	86,607	(4/88)
69.	Greensboro, NC	ATC	86,000	(3/88)
70.	Dover/Morristown, NJ	Sammons	82,871	(5/88)
71.	Portland, OR	Rogers	82,587	(6/88)
72.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
73.	Orange County, CA	Rogers	81,604	(1/89)
74.	South Bend, IN	Heritage	80,776	(5/88)
75.	Oakland County, MI	United	80,564	(5/88)
76.	New Orleans, LA	Cox Cable	80,348	(3/88)
77.	Independence,MO	Jones	79,897	(11/88)
78.	Baton Rouge, LA	UA Cablesystems	79,586	(4/88)
79.	Albuquerque, NM	Jones Intercable	79,199	(10/88)
80.	Akron, OH	Warner	79,070	(5/88)
81.	Hillsborough, FL	Paragon	79,000	(4/88)
82.	Columbus, OH	Warner	78,454	(5/88)
83.	Indianapolis,IN	ATC	78,000	(3/88)
84.	St. Petersburg, FL	Paragon	78,000	(4/88)
85.	Medford Complex Boston Suburbs, MA	Warner	77,167	(5/88)
86.	South Texas, TX	Heritage	77,160	(5/88)
87.	Fresno, CA	Continental	76,326	(9/88)
88.	Cleveland Heights, OH	Viacom	76,000	(6/88)
89.	Allentown, PA	Service Electric	75,000	(9/87)
90.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
91.	Fayetteville, NC	ATC	74,000	(3/88)
92.	Flint, MI	Comcast	72,923	(6/88)
93.	Little Rock, AR	Storer	72,681	(5/88)
94.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
95.	Omaha, NE	Cox Cable	73,361	(3/88)
96.	Pleasant Hill, CA	WestMarc Communications	72,452	(1/89)
97.	Ocean County, NJ	Adelphia	72,355	(3/88)
98.	Lincoln, RI	Heritage	71,625	(5/88)
99.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
100.	Des Moines, IA	Heritage	70,148	(5/88)

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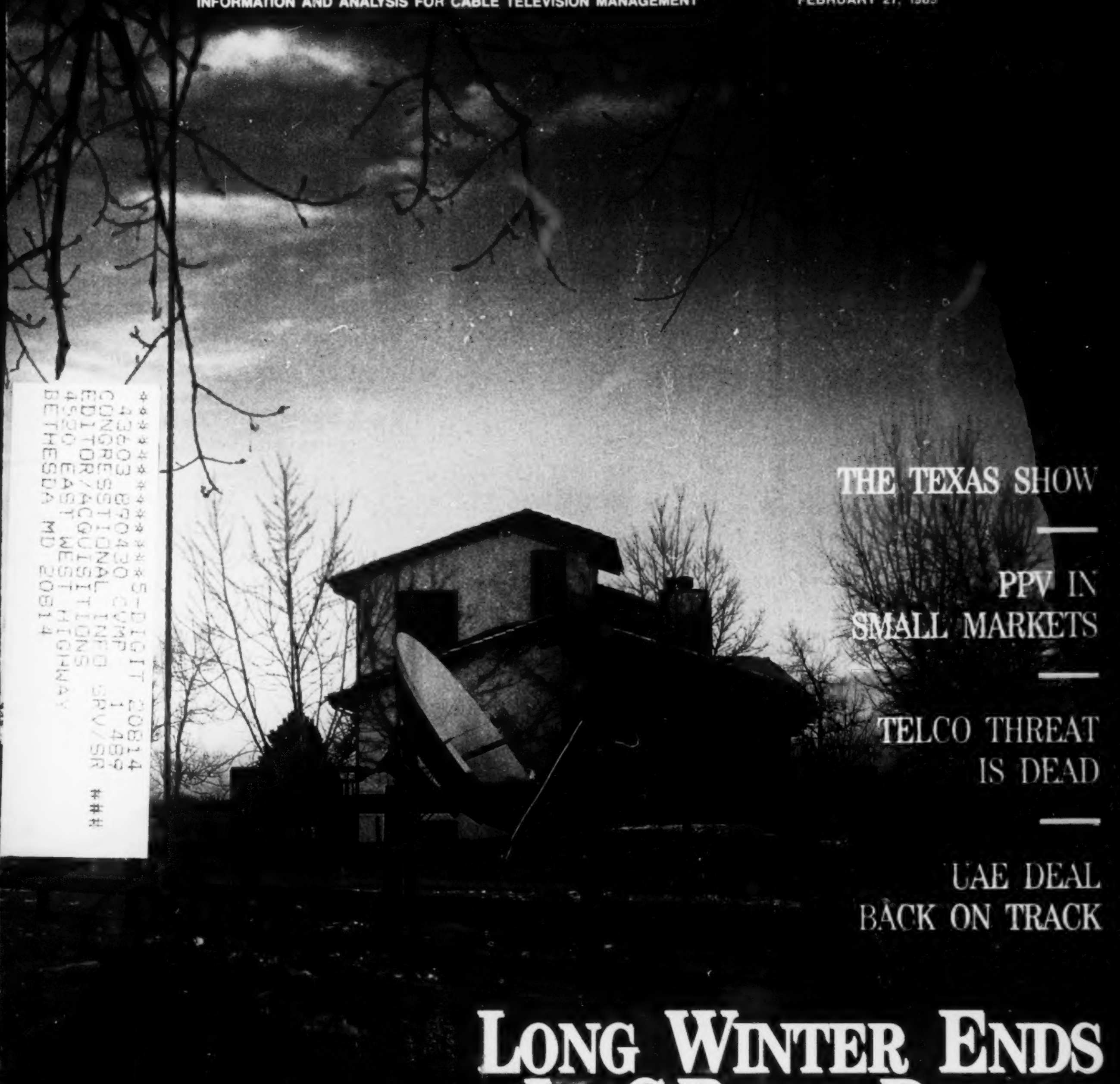
CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

FEBRUARY 27, 1989



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THE TEXAS SHOW

PPV IN
SMALL MARKETS

TELCO THREAT
IS DEAD

UAE DEAL
BACK ON TRACK

LONG WINTER ENDS IN C-BAND DIRECT

GI ROUTS PIRATES
AS PACKAGERS BLOOM

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT FEBRUARY 27, 1989

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COVER PHOTOGRAPH

Improved security and packaging means this dish likely is legal

Photo by Ken Paul

ITCI

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ABP BPA

Strike one, strike two

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ESPN's baseball package has set off some Bronx cheers among station executives with TV contracts with local teams. They are worried the national cable deal will siphon viewers and local advertising dollars.

"The problem is the scope of the ESPN deal far exceeds anything we anticipated," says Brooke Spectorsky, station manager of KTVU-TV Oakland, who has just signed a six-year contract for local rights to the San Francisco Giants.

Stations have two problems with the ESPN deal, says Spectorsky. One is that the 175 games that ESPN will air per year will glut local markets. "There is going to be a tremendous amount of baseball inventory in the marketplace at reduced rates (on cable systems)," says Spectorsky. "It seems to me that a lot of advertisers would be attracted to that."

Will ESPN hurt station revenues?

The second is ESPN's exclusive Wednesday and Sunday dates. Spectorsky says removing Wednesday nights from stations' lineups will mean a loss of revenues for those three-day series that baseball clubs usually begin on Monday. Although ESPN's contract doesn't begin until next year, Spectorsky warns that some popular games, such as when the Giants play the Dodgers, could be lost to the cable network. This year, for instance, two of the Giants' five Wednesday games are with the Dodgers.

Other markets feel a bit more secure, such as St. Louis, where Greg Filandrinos, director of sales for independent KPLR-TV, doesn't think major advertisers spending up to $800,000 for a season's sponsorship are going to suddenly leap to cable at $100 a spot. He can sell the spots at lower CPMs than local cable systems—Filandrinos says he already does this against the Cardinals pay-per-view network.

But, similarly, there are some key Cardinal matchups that are big ratings performers, and if they move to ESPN they would be missed. "If we had a three-game series, and now ESPN sudddenly had one of those nights, then yes, it would hurt my revenues," says Filandrinos.

Major League Baseball says the stations' concerns are unfounded. Brian Burns, MLB vice president of broadcasting, says the owners still will determine the number of games for their local broadcast and cable outlets. In addition, Bryne says, MLB will only request 10 local games for exclusive national use, although the current contract allows for 20 pre-emptions.

—Wayne Friedman

Top Basic Cable Sports Programs
February 6-February 12

	Date	Net	Program	Rating	Homes
1.	Feb. 11	WTBS	NBA All Star Saturday	4.7	2,259,000
2.	Feb. 9	ESPN	B'ball: No. Carolina-No. Carolina St.	2.9	1,453,000
3.	Feb. 9	ESPN	B'ball: Missouri-Oklahoma	2.5	1,253,000
4.	Feb. 8	ESPN	B'ball; Virginia-Duke	2.5	1,253,000
5.	Feb. 11	WTBS	NBA All Star Highlights	2.5	1,198,000
6.	Feb. 7	WTBS	NBA: Cleveland-Milwaukee	2.3	1,081,000
7.	Feb. 6	ESPN	B'ball: Syracuse-Seton Hall	2.2	1,102,000
8.	Feb. 6	ESPN	B'ball: Purdue-Ohio State	2.2	1,101,000
9.	Feb. 12	ESPN	Seniors PGA Golf Championship	2.0	1,002,000
10.	Feb. 7	ESPN	Top Rank Boxing: Longstreet-Tyson	1.8	901,000
11.	Feb. 8	ESPN	B'ball: Georgetown-Connecticut	1.8	901,000

C-band direct's long winter is at an end

◆◆◆◆◆◆

By Wayne Friedman

Enhanced security, better packaging are harbingers a flowering business

It is understandable that small smiles are beginning to brighten the faces of TVRO cable programmers and packagers. After a three-year bout with signal piracy, General Instrument's Videocipher II seems to be evolving into a stronger and more resilient machine, and backyard dish owners—presented with a host of attractive options—are buying more programming.

But even as the technical underbrush is being cleared from the C-band direct market, other problems are beginning to crop up that relate to the sometimes confusing array of programming packages and retail prices.

General Instrument's authorization center (above), employing enhanced antipiracy features, is 'state of the art, as far as you can take any security system,' says Larry Dunham, president of GI's Videocipher division

It is to be expected that the nascent TVRO industry would need some breathing space in which to evolve into a profitable and predictable business, especially in light of its tumultuous birth when scrambling began amid public outcrys by dish owners accustomed to a free ride and the infamous Captain Midnight episode.

Now, GI and program executives see the cloud over their industry clearing, mainly because of recent enhanced security measures. Last September GI beefed up its VCII machine with the Dash 7, a new version of coding security microchips. Next, GI will be fixing scrambling systems with "chip-on-board" technology, which physically protects the security of the chips with 23 layers of circuitry, a move that will discourage pirates from soldering their own illegal chips to each security board.

Finally, in August or September of this year GI will come out with Videocipher II Plus, which will take all the security functions and put them on one microchip. "We think it's the state of the art, as far as you can take any security system," says Larry Dunham, president of the Videocipher division of General Instrument.

These improvements have emerged just as complaints about GI's system, and its response to the piracy problem, have increased. "In the first six to nine months of this antipiracy effort, we were somewhat naive on the magnitude on the problem... not because of a conscious decision not to commit resources to do something," says Dunham. "We and the programmers were naive (about the extent of the problem)."

Make no mistake, the problem still exists. To date, more than a million Videocipher IIs have been sold, but only 475,000 have been

Netlink President Brian McCauley

authorized by GI to receive programming—this out of a total universe of 2.3 million TVRO dishes. But Dunham is confident the tide is turning on piracy. The gap between the number of videociphers shipped versus those that have been authorized by GI is closing. Whereas perhaps 20,000 units might have been shipped and only 10,000 authorized during a given month—a 50 percent gap in authorizations—those numbers are being trimmed to a 15 percent gap. January showed an even greater improvement, when 22,000 units were shipped and 26,000 authorized, indicating a net decline in unauthorized descramblers.

Industry experts say this is a most encouraging development. "(Controlling) piracy is in a better position today than a few months ago," says Brian McCauley, president of Netlink, a program packager that acts as a marketing agent for several MSOs. McCauley says January "was our best month ever." Jack Riley, vice president and general manager of Superstar Connection, a TVRO service of United Video, agrees that the month was a turning point. "We got a handle on it."

There's no doubt piracy is the major ongoing concern of the C-band direct business. And as technical problems are being resolved, program packagers are beginning to position themselves for the future. The business might well be splitting into a two-tier or even three-tier market. For those on the first-tier—cable programmers—the business can represent a gravy train of profits, albeit on a small scale. But not so for those on the second-tier level, the cable operators, or those in the third position, the non-MSO, non-cable network program suppliers.

Is this becoming a pure-profit business for everybody? "It is for Showtime and HBO, but not for cable operators," grumps one TVRO programming marketer. There also exists a profit disparity between cable operators and pure TVRO packagers. One TVRO program packager complains that the wholesale price "is much higher" than that for cable operators. Another executive says that where CNN, for example, might be sold to cable operators for 15-20 cents a sub, the price rises to as much as $1.00 a TVRO sub to some program packagers.

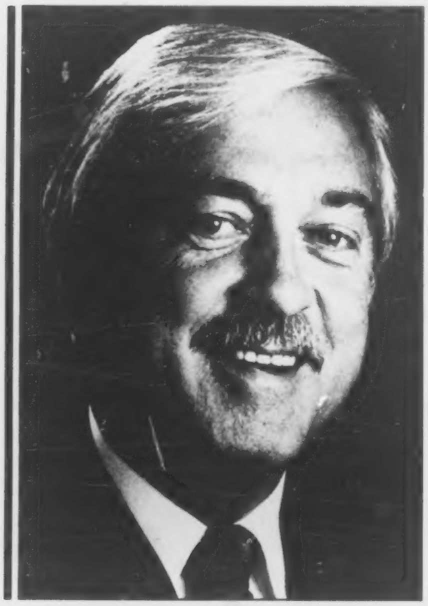
"For a company that makes no investment in the dish market and lets a third party distribute their service," says Superstar's Riley, "it would seem like the rates should be comparable (to cable operators), but they are not." Superstar Connection's package includes superstations WGN, WPIX, KTVT, KTLA, WWOR and WSBK as well as CBN, Lifetime, The Travel Channel and USA Network. Riley also sells a premium movie package, Starion Premiere Cinema.

Tola Murphy-Baran, vice president of market development for Viacom Satellite Networks, which markets Showtime and The Movie Channel as well as 12 basic channels to the backyard market, says C-band direct is not an especially lucrative business for programmers like HBO and Showtime because of costs incurred for marketing, authorization and direct billing. In addition, the movie contract license fees that Showtime pay include TVRO home estimates. "It's a nice incremental business. It's not anything that we are going to retire on," she says.

Direct retailing is the path being pursued by HBO and Viacom, the two leading packagers which reportedly have sold some 300,000 individual programming subscriptions. While both also sell through third parties—either through other packagers or through satellite dish equipment dealers—taking the retail route means more control and more direct revenues.

To enhance this strategy, HBO—and Showtime to a lesser degree—doesn't grant the same discounts to dish dealers as they employ for cable operators. For example, HBO gives dealers a rebate when a new dish owner buys a yearly HBO program package, but the company doesn't extend that rebate for the second year and beyond. "We don't believe that (the dealers) contribute to the renewal process," says Bob Caird, vice president of direct broadcast for HBO. "We see the renewal process decision being made based on the consumer viewing based on what we have on the channel."

Similarly, Showtime's goal is to be a retailer of programs to the earth station market. To accomplish this, it has placed some restrictions on its product. For instance, while it allows a cable operator to sell Showtime to dish owners in the franchise area and in the county around the franchise, it doesn't allow an operator to sell the service in adjacent counties. "We feel this company needs the revenues and margins that can be derived from a retail business in those outlying areas, for our own economic health. The economic health is in the best interest of the cable television industry," says Murphy-Baran. Showtime also doesn't allow anyone but itself to sell the Viacom basic networks—MTV, VH-1, Nickelodeon and Nick at Nite—in TVRO packages.



Jack Riley, vice president and general manager of Superstar Connection

Although HBO and Showtime are the heavyweights in TVRO program packaging (see chart, page 36), new packagers constantly are entering the business. Currently, the list runs to around 50 companies and growing, including some firms that began selling programming before scrambling was an issue. With the array of networks that are packaged as well as the variety of prices, many industry observers say it can be confusing to the consumer as to what to choose. But at the same time, it is obvious that the TVRO consumer has a wealth of options. According to one trade organization official, there are "10,000 different combinations of ordering programming."

THE TVRO UNIVERSE

	LEGAL TVRO SUBSCRIBERS	TOTAL TVRO SUBSCRIBERS*
1986	100,000	1,072,000
1987	290,000	1,980,000
1988	600,000	2,300,000
1989 Projection	900,000	2,800,000

*Includes unauthorized/illegal dishes
Source: Paul Kagan Associates

Some of the confusion stems from the reluctance of some programmers to become involved in the TVRO business, especially with non-MSO, non-cable network packagers. In addition, there are programmers who already are in the business, such as HBO and Showtime, that decline to grant reciprocal programming agreements to every third party that comes along. Superstar Connection's Riley says "The industry has failed to cooperate in granting reciprocal rights... (because) everyone wants exclusivity."

Recently, HBO and TBS reached a reciprocal agreement to exchange their owned and operated services for each of their respective packages. HBO's Caird says these deals depend on the value of the product that's being exchanged. "(TBS) brings to the table very valuable services, CNN and Headline News, which are the centerpieces of our basic package."

Cable networks understandably are cautious about dealing with some third parties because they sense that some either aren't responsible or are inexperienced. Established equipment dealers generally find it easy to deal with programmers because it is understood that they need to sell programming in order to sell TVRO equipment. Tougher sledding is encountered by those who aren't selling equipment. "If you don't keep it restricted to (a equipment-programming) kind of sale," says Sel Kremer, executive vice president of Tempo Development, a TVRO packager, "then all you are trying to do is to sell them programming." That's why programmers don't give open distribution, says Kremer. "Our point is you need to be somebody of substance. You have to own something like programming rights, or be an (established) equipment distributor."

Piracy, although abating, continues to nag at cable networks and program suppliers as well. Mark Harrad, communications director for the Motion Picture Association of America, estimates that about $20 million a year is lost through TVRO piracy and illicit distribution arrangements. Although this is a tiny amount compared with the losses resulting from traditional theft of cable television service and home video—$300 million and $100 million, respectively—"it would be a mistake to say that piracy is not a priority for us," he says.

Things became so out of hand last year that Warner Brothers moved to ban Viewer's Choice from offering its pay-per-view movies to the TVRO

What's On The Pays/March

Cinemax

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
The Black Windmill	PG	Universal
The Curse	R	Trans World
Dark Eyes	NR	Island
Displaced Person	NR	Blum Group
Ghoulies II	PG-13	Vestron
Going Bananas	PG	Cannon
He's My Girl	PG-13	Scotti Bros.
Hoxsey: Quacks Who Cure Cancer	NR	Realidad
Little Nikita	PG	Columbia
Repulsion	NR	Columbia
School Daze	R	Columbia
World Gone Wild	R	Apollo

Original Programming/Specials

Cinemax Session: Legends Of Rock'N'Roll
Max Movie Show #9

Highlights

Broadcast News	R	20th Century-Fox
Frantic	R	Warner Bros.
Moonstruck	PG	MGM/UA

Moonstruck

The Disney Channel

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
A Night In Casablanca	NR	Castle Hill
Casanova's Big Night	NR	Paramount
Dennis The Menace	G	DIC
End Of The World Man	NR	Miramax
Hambone & Hillie	PG	New World
Hill's End	NR	Revcom
Let The Balloon Go	G	Interplanetary
Mystery On Monster Island	NR	20th Century-Fox
One Of Our Dinosaurs Is Missing	G	Disney
Return Of The Antelope	NR	Granada
Return To Snowy River	PG	Disney
Taffy & The Jungle Hunter	NR	Lorimar
Ten Who Dared	NR	Disney
The Undercover Gang	NR	Miramax
Weekend With A Bear	NR	Universal

Original Programming/Specials

Celebrity Knockout From Walt Disney World
The Cropp Family's Nature Album: Secrets Of The Billabong
Unforgettable Nat King Cole

Highlights

American Originals: Thomas Edison
Calgary '88: 16 Days Of Glory (Part I)
Chip & Dale's Rescue Rangers
Going Home: Judy Collins

Chip & Dales Rescue Rangers

HBO

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
A Night In The Life Of Jimmy Reardon	R	20th Century-Fox
Body Slam	PG	Hemdale
Commando Squad	R	Trans World
Deep Space	R	Trans World
18 Again	PG	New World
Gaby: A True Story	R	Tri-Star
House Of Games	R	Orion
The House On Carroll Street	PG	Orion
The In Crowd	PG	Orion
The Killing Time	R	New World

Lady Beware	R	Scotti Bros.
The Milagro Beanfield War	R	Universal
Satisfaction	PG-13	20th Century-Fox
The Trouble With Spys	PG	HBO
Turnaround	R	Cinema Group

Original Programming/Specials

The Appointment Of Dennis Jennings
Encyclopedia Brown, Boy Detective
The Kid Who Wouldn't Quit (Family Playhouse)
Life Of Crime (America Undercover)
World Championship Boxing: Michael Nunn vs. Sumbu Kalambay

Highlights

Broadcast News	R	20th Century-Fox
Comic Relief III		
Dead Man Out (HBO Showcase)		
Moonstruck	PG	MGM/UA

Comic Relief III

The Movie Channel

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Allan Quartermain & The Lost City Of Gold	PG-13	Cannon
A Night In The Life Of Jimmy Reardon	R	20th Century-Fox
A Tiger's Tale	R	Atlantic
Compromising Positions	R	Paramount
The In Crowd	PG	Orion
The Men's Club	R	Atlantic
Richard Pryor Live In Concert	R	Biller
Satisfaction	PG-13	20th Century-Fox
Sid & Nancy	R	Sam Goldwyn
They Still Call Me Bruce	PG	Hal Roach

Highlights

Broadcast News	R	20th Century-Fox
Good Morning Vietnam	R	Touchstone
The House On Carroll Street	PG	Orion
The Milagro Beanfield War	R	Universal

Broadcast News

Showtime

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Allan Quartermain & The Lost City Of Gold	PG-13	Cannon
A Night In The Life Of Jimmy Reardon	R	20th Century-Fox
Clue	PG	Paramount
Dudes	R	Carolco
In Search Of Historic Jesus	G	Viacom
Lady On The Bus	R	Fox/Lovber
Malone	R	Orion
The Milagro Beanfield War	R	Universal
Modern Girls	PG-13	Atlantic
Pass The Ammo	NR	Carolco
Shy People	R	Cannon
World Gone Wild	R	Apollo

Original Programming/Specials

The Adventures Of Commander Crumbcake
Henry's Cat
Jimmie Walker & Friends II

Highlights

Broadcast News	R	20th Century-Fox
Good Morning Vietnam	R	Touchstone

Motown On Showtime: Marvin Gaye
Showtime Championship Boxing: Evander Holyfield vs. Michael Dokes

Good Morning Vietnam

TVRO PACKAGE RUNDOWN

SUPPLIER	PACKAGE	SERVICES INCLUDED	RATES
HBO	Flex-Pax	CNN/CBN/ESPN/Headline/USA/TWC/ Lifetime/PrimeTime 24/Skyline Silver WWOR/WSBK-Boston/KTLA-Los Angeles	$25 annually per service/ $12 annually for each additional service
		HBO/Cinemax	$12.95 monthly $116.55 annually
		HBO & Cinemax together	$19.95 monthly $179.55 annually
National Rural Telecommunications Cooperative	Basic	CBN/CNN/ESPN/Headline/USA Lifetime/ Nickelodeon*/Nostalgia/TLC/TWC/Country Music TV/Travel Channel/WGN/ WWOR/WPIX/KTVT-Dallas	Varies by region
	Basic Plus	Basic Plus Netlink's Super Six package	Varies by region
	Premium Channels	PrimeTime 24/Skyline Silver Superstation TBS/HSE Netlink Super Six	Varies by region
	Premium Movie Channels	HBO/Cinemax/Disney/Starion Premiere Cinema	Varies by region
Netlink USA	Super Six	KUSA/KCNC/KMGH/KRMA/KDVR/ KWGN (all Denver stations)	$79.80 annually
	One Stop Package	Super Six plus CNN/TBS ESPN/ Headline/Lifetime/TWC/ CBN/AMC/X*Press/USA	$10-$14 monthly (varies by region)
	Skyline Silver	WWOR/KTLA/WSBK	$36 annually
	American Movie Classics	AMC	$29 annually
	Premiums	HBO/Cinemax/Showtime*/Disney/TMC*	Varies by region
PrimeTime 24	PrimeTime 24	WABC-New York/WBBM-Chicago WXIA-Atlanta	$49.95 annually/$90 two-yr sub $130 three-year sub
Superstar Connection	Superstar Connection	WGN/KTVT/WPIX	$36 annually
	Skyline Silver	WWOR/WSBK/KTLA	$36 annually
	A La Carte Plan Starion	WGN/WPIX/KVTV/KTLA/ Starion Premiere Cinema	$44 annually $85 annually
	A La Carte Plan	CBN/Lifetime/TWC	$12 annually each ($14.99 for CBN/ $8.99 for each used in package)
Tempo Development	A La Carte Plan	TBS/USA/Lifetime/WWOR/TWC/CBN	$19 annually per service; $10 annually for each additional service (USA cannot be purchased a la carte)
	Stardust Theater	Stardust Theater	$65 annually
	Skyline Silver	WWOR/WSBK/KTLA	$39 annually a la carte $30 with another service or package
	Starpak	Stardust & Skyline Silver plus TBS/USA/CBN/TWC/Lifetime	$144 annually
TBS Cable Network Sales	A La Carte Plan	CBN TNT/TWC CNN/Headline HBO/Cinemax	$15 annually $20 annually $25 annually $99.95 annually
		CNN/Headline/CBN/TWC	$40 annually
		CNN/Headline/CBN/TWC/TNT[1]	$60 annually
		HBO/Cinemax and $40 package HBO/Cinemax and $60 package HBO & Cinemax HBO & Cinemax plus $40 package HBO & Cinemax plus $60 package	$120 annually $130 annually $170 annually $200 annually $210 annually
Viacom Satellite Networks	Extraview	Nickelodeon/ESPN/Lifetime/Discovery/FNN TNNN/VH-1/USA/MTV/CBN/TLC/TWC	$10.95 monthly $120 annually
	Extraview Plus	Extraview plus Showtime/TMC Extraview plus Showtime & TMC	$17.95 monthly/$192 annually $22.95 monthly/$240 annually
	The Playboy Channel	The Playboy Channel	$10.95 monthly/$120 annually (discounts with Showtime or TMC)

*Not available in all areas

[1]-Some restrictions may apply to TNT, lowering the package price in some areas to $50

Source: Satellite Broadcasting & Communications Association

marketplace. But encouraged by renewed antipiracy efforts, Warner Brothers recently reentered the TVRO market by offering the Ray "Boom Boom" Mancini-Hector "Macho" Camacho March 6 fight.

There are other reasons for cable programmers to be optimistic about the C-band direct business. A new civil copyright law, which took effect in January, increases the penalty from $50,000 to $500,000 for each act of piracy. GI also also firmed its security system allowing it to turn off bogus TVRO dishes by satellite. These measures, coupled with GI's enhanced security electronics, gives Dunham the feeling that he has the pirates on the run. Even though experts say every scrambling system can be beaten, GI believes its internal changes in the Videocipher II will push the price of tampered boxes to the point where it simply will be cheaper and easier for dish owners to become legal subscribers.

While no one in the C-band direct business believes all the problems are solved, the trend seems clear. Many expect to see substantial inprovements by the end of this year or certainly by the beginning of 1990. "As piracy wanes, programmers are going to be far more aggressive in terms of marketing dollars," says HBO's Caird. "We are hoping by the fourth quarter (conditions will improve). I think '90 is a key year."

Right now conditions are slowly improving, but if things don't change program suppliers could be forced to take a severe change in strategy. Netlink's McCauley says, "There is still a very significant number of people that are chipping boxes. By the end of this year, one of two things will happen: (theft) will be down or it will have totally failed and we all will be considering drastic alternative choices." ■

Quarterly Earnings Report

Dollar amount in thousands

Company (Quarter/Fiscal Year)	Revenues	%change	Operating Profit	%Change	Net Income	%Change
Adams-Russell Electronics (1st/89)	$ 33,752	95.2	N.A.	N.A.	$ 529	- 53.5
ATC (4th/88)	212,090	13.5	56,001	28.2	22,502	72
C-Cor Electronics (2nd/89)	12,816	64.1	1,354	41.4	1,354	31.1
Centel Cable (4th/88)	40,599	8.5	6,234	60.2	2,250	63.4
Centel Corp. (4th/88)	284,320	N.A.	48,758	N.A.	34,480	N.A.
Century Comm. (2nd/89)	47,357	19.9	6,231	-21.9	- 6,648	162.3
General Instrument (3rd/88)	359,312	82.9	35,983	87.5	21,883	90.8
Jones Intercable (2nd/89)	15,822	133	7,846	96	- 5,586	-1,301
Jones Spacelink (2nd/89)	20,835	124	11,312	93	- 247	- 137
Knight-Ridder (4th/88)	574,650	9	80,675	-90	45,542	- 91
Media General (4th/88)	191,362	N.A.	N.A.	N.A.	-29,620	N.A.
Multimedia (4th/88)	117,370	6	43,263	14	13,093	38.5
Scientific-Atlanta (2nd/89)	128,501	4	14,353	13	9,186	16
TCA Cable (4th/88)	18,143	14.1	9,351	14.2	3,304	196.3
Time Inc. (4th/88)	1,207,000	6.1	181,000	N.A.	58,000	12
United Cable (2nd/89)	75,813	18	31,434	18	572	1,495

Paragon contract boosts Prime Ticket's circulation to above 3.3 million homes.

• **Cable Networks Inc./Rainbow Ad Sales Corp.** concluded a pair of five-year exclusive rep contracts last week. Century Communications' Los Angeles systems are involved in one agreement, reaching over 200,000 homes in Beverly Hills, Century City, Santa Monica, Marina del Rey and Pacific Palisades. The other involves Suburban Cablevision and its 205,000 Central New Jersey subscribers. Both contracts give CNI permission to sell local avails on CNN, ESPN, MTV, Lifetime, USA and regional services.

• **Staten Island Cable** is among The Travel Channel's newest affiliates. The system highlighted its newest offering by promoting a travel fair inside the Staten Island Mall Feb. 10-12. Shoppers there received the chance to watch a fashion show, meet Travel Channel personality Arthur Frommer and win raffles for vacation trips. Staten Island's 45,000 subscribers also witnessed the local launch of Turner Network TV earlier this month.

• **Reiss Media Productions** has retained national pay-per-view distribution rights to the Sugar Ray Leonard/Thomas Hearns championship fight June 12. In addition to bringing Request TV aboard for fight carriage, Reiss will serve as the liaison between local rights holders and cable systems in distributing the fight on a system-by-system basis. Reiss acquired the rights from promoter Top Rank Inc.

• **The Drop Shop** has made an agreement with Indiana Pressed Steel to distribute their line of cable pedestals and accessories. Part of the General Cable group of companies, Indiana Pressed Steel has been in the CATV pedestal supply business since 1984. Accessories include mounting brackets, stakes and labels. The Drop Shop will stock the line at its Union, N.J., and New Orleans warehouses.

• **Cablevision Systems** will add Mind Extension University and Galatic Radio to its service roster this month, under a new contract with Jones International. The MSO will offer MEU-transmitted courses for credit in its franchise areas and carry all of Galatic's formats. Cablevision also will buy interactive video training programs from Jones' business

This Notice Appears As A Matter Of Record Only January 1989

JAMES CABLE PARTNERS, L.P.

Has Acquired The Assets Of

DURANT CABLEVISION, INC.

Which Pass Approximately 7[illegible] Homes
and Serve Approximately 5,200 Basic Subscribers
In Durant, Oklahoma and Environs

SOLD

The undersigned initiated this transaction representing **James Cable Partners, L.P.**, and assisted in negotiations

COMMUNICATIONS
MARKETING
GROUP, INC.

8933 East Union Avenue
Suite 295
Englewood, Colorado 80111
(303) 850-0405

Allan B. Bowdach
President

CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	387	9,000,000
Alternate View Network	250	4,000,000
Arts & Entertainment (A&E)	2,800	37,000,000
Black Entertainment Television	1,800	21,197,000
Cable News Network	11,860	49,565,000
Cable Value Network	1,850	21,000,000
CBN Family Channel	8,303	43,769,000
C-SPAN	3,100	41,500,000
C[illegible]N II	575	16,500,000
Country Music Television	862	8,000,000
The Discovery Channel	4,643	37,627,000
Eco	300	1,000,000
ESPN	9,500	50,132,000
Eternal Word Television Network	490	10,800,000
Family Guide Network	60	4,500,000
FamilyNet	54	1,200,000
The Fashion Channel	650	10,100,000
Financial News Network	3,500	33,000,000
FNN/Score	1,600	19,800,000
FNN/TelShop	1,350	14,800,000
Headline News	3,410	34,911,000
Home Shopping Network	1,438	16,415,712
Home Shopping Network II	357	6,169,357
The Inspirational Network	920	10,000,000
International Television Network	56	7,868,900
The Learning Channel	990	15,100,000
Lifetime	3,800	41,728,000
Mind Extension University	84	2,200,000
Movietime	342	11,500,000
MTV	5,220	44,433,000
Movietime	342	11,500,000
The Nashville Network	7,741	43,211,000
Network 1 USOA	N.A.	N.A.
Nick At Nite	3,395	39,600,000
Nickelodeon	6,485	43,679,000
The Nostalgia Channel	305	4,000,000
Prevue Guide	332	8,858,517
QVC Network	1,033	13,700,000
RFD TV	30	2,128,190
Shop Television Network	119	5,100,000
Silent Network	404	12,300,000
SportsChanne; America*	N.A.	1,500,000
Superstation TBS	9,426	47,943,000
TNT	1,512	23,000,000
The Travel Channel	400	11,000,000
Trinity Broadcasting Network	725	9,100,000
Univision**	466	4,719,000
USA Network	10,100	46,433,000
VH-1	2,300	30,000,000
Vision Interfaith Satellite Network	215	6,200,000
The Weather Channel	3,600	37,101,000
WGN-TV	11,415	24,900,000
WWOR-TV	2,600	12,500,000
WPIX-TV	858	9,678,474

Bonus/basic services

American Movie Classics	1,500	14,500,000
Bravo	350	1,500,000

Pay services

American Exxxtasy	35	27,000
Cinemax	3,650	6,600,000
The Disney Channel	5,000	4,000,000
Home Box Office	7,400	17,000,000
The Movie Channel	3,250	2,700,000
The Playboy Channel	526	470,000
Showtime	6,000	6,600,000

Audio services

Cable Radio Network	49	1,556,736
Galatic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,578,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000

Computer services

DBC/MarketWatch	462	9,200,000
X*Press Executive	457	14,000
X*Press X*Change	457	14,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Fuji Network	3	12,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Pay services

Nippon Golden Network	5	13,600

Interactive services

Basic services	Affiliates	Subscribers
Telaction	4	30,000
Video Jukebox Network	10	340,000

Regional services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	180,000
Bay Area Religious Channel	6	113,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,200,000
KTVT	417	3,600,000
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,300,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	594,000
Niagara Frontier Sports Network	13	800,000
Pennarama	28	750,000
Prime Cable	9	381,938
Prime Sports Network	N.A.	250,000
Prime Ticket	94	3,000,000
Sportsvision	50	1,507,270
Sunshine Network	200	2,310,000

Pay services

Home Sports Entertainment	250	1,000,000
Home Team Sports	125	1,200,000
New England Sports Network	171	317,201
Prism	87	427,000
Pro-Am Sports	173	523,000
SportsChannel (Florida)	20	470,000
SportsChannel (New England)	154	1,028,431
SportsChannel (New York)	100	1,300,000
Z Channel	73	110,010

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.
N/A denotes information not available.
***Count represents standalone affiliates/subscribers; portions of SC America are carried on Home Team Sports and the SportsChannel family of regional services.**
****Spanish-speaking households.**

Announced services

Satellite-fed services	Expected launch
ATV: Advertising Television	TBA
Career Channel Network	10/89
CD/8: The Digital Music Network	6/89
CNBC	4/89
The Computer Channel	5/89
Digital Cable Radio	4th Quarter 1989
Digital Radio Channel	4th Quarter 1989
The Gaming Network	3rd Quarter 1989
Interactive Game Network	3rd Quarter 1989
Kids Information Network	2nd Quarter 1989
The Landscape Channel	1st Quarter 1989
Laugh TV	3rd Quarter 1989
Maximum Entertainment Network	9/89
Mizlou Sports News Network	4/89
Music Image Channel	11/89
Spanish TV News Network	5/89
Talk Television	1st Quarter 1989

Non satellite-fed services	Expected launch
ACTV	3rd Quarter 1989
Consumer Classified Ad Network	3/[illegible]
Main Street	2nd Quarter 1989
On Demand/UTV TV Network	4th Quarter 1989

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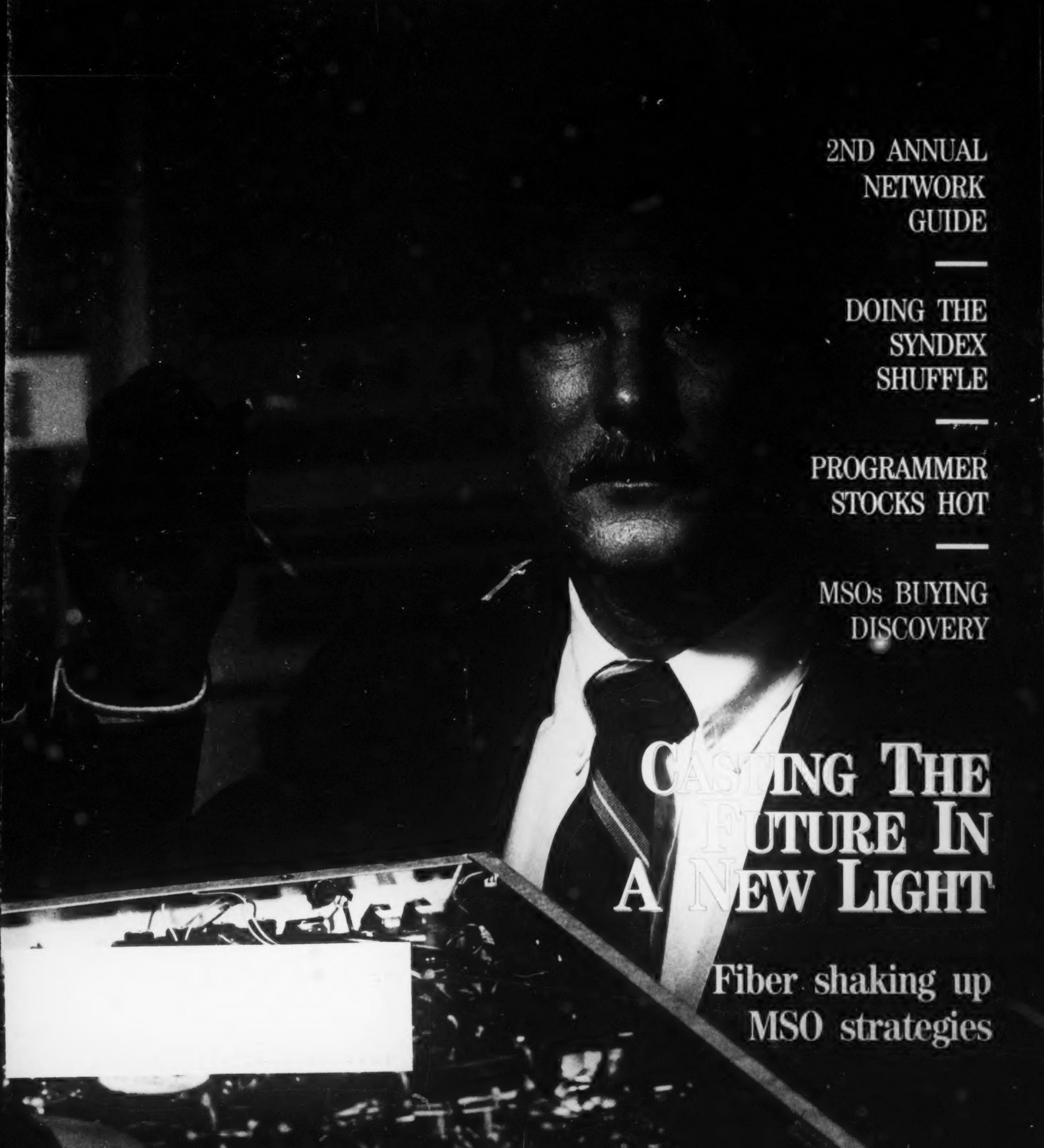
INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

MARCH 13, 1989



2ND ANNUAL
NETWORK
GUIDE

DOING THE
SYNDEX
SHUFFLE

PROGRAMMER
STOCKS HOT

MSOs BUYING
DISCOVERY

CASTING THE FUTURE IN A NEW LIGHT

Fiber shaking up
MSO strategies

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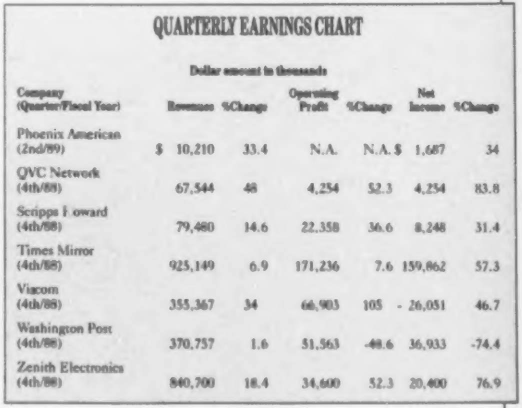

QUARTERLY EARNINGS CHART

Dollar amount in thousands

Company (Quarter/Fiscal Year)	Revenues	%Change	Operating Profit	%Change	Net Income	%Change
Phoenix American (2nd/89)	$ 10,210	33.4	N.A.	N.A.	$ 1,687	34
QVC Network (4th/88)	67,544	48	4,254	52.3	4,254	83.8
Scripps Howard (4th/88)	79,480	14.6	22,358	36.6	8,248	31.4
Times Mirror (4th/88)	925,149	6.9	171,236	7.6	159,862	57.3
Viacom (4th/88)	355,367	34	66,903	105	- 26,051	46.7
Washington Post (4th/88)	370,757	1.6	51,563	-48.6	36,933	-74.4
Zenith Electronics (4th/88)	840,700	18.4	34,600	52.3	20,400	76.9

More than nickels and dimes in the quarter

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COVER PHOTOGRAPH

Jones' Robert Luff, seeing new implications in fiber optics

◻

Photo by Ken Paul

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Free programming for the Final Four

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The programming is free, live and for a good cause, factors sufficient to turn many cable operators' heads. It is an unusual two-and-a-half hour live basketball clinic with the likes of NBA great Julius Erving, Karl Malone of the Utah Jazz, North Carolina coach Dean Smith and Denny Crum, coach of Louisville.

It's primary purpose is to teach high school basketball players proper strength and conditioning techniques. Larry Holman, the telecast's executive producer, hopes high school coaches around the country will watch the show over cable systems' LO channels, or wherever operators can place the show.

Holman has picked an opportune time to air the event. It will air live from Seattle at 12:30-3 p.m. EST (9:30-noon PST), just before the NCAA Final Four semifinal games in Seattle on April 1.

Footing the bill for this telecast is Converse, the shoe manufacturer.

Detroit Pistons superstar Isiah Thomas demonstrates a move to the hoop.

"This is a new concept," says Roger Morningstar, assistant vice president of promotion for Converse. "We want this thing to be an event every year." He says many high school coaches and basketball players have made the Final Four day a time when teams have parties while they watch the games—a great opportunity to capture their attention. Converse works with high school coaches to sell their products, and will inform some 24,000 coaches around the country about the event.

Holman says the show will be interlaced with taped pieces on how to train. The show also will be interactive, with a 1-900 number installed for high school players and coaches to call. In addition, program guides will be mailed to coaches. Part of that guide will be a response page where more basketball queries can be requested.

Converse is moving into this area to help high school athletes train properly, without using artifical means such as steroids. At the same time, "Our bottom line is to sell shoes," says Morningstar. As such, Converse will supply the on-air talent with Converse clothing and equipment. The company also will use one 30-second spot for its own image advertising, with six minutes for cable operators to use.

This year Morningstar is hoping to attract many more systems. "We did it last June with six weeks lead time, just as an experiment. It went over so well, and the response was so positive that we thought if we have a year to prepare for this with top-name coaches, and have our sales force promote it through the (high school) coaches and cable companies, we'll generate some interest."

"This concept is very easy," says Holman. "There are no restrictions. You can rebroadcast it. You can edit it. You can do anything you want with it." The show will be available via Westar 4 and G Star I.

—Wayne Friedman

Top Basic Cable Sports Programs
February 20-February 26

Date	Net	Program	Rating	Homes
1. Feb. 20	ESPN	B'ball: Villanova-Pittsburgh	2.4	1,202,000
2. Feb. 21	ESPN	Top Rank Boxing	2.4	1,202,000
3. Feb. 22	ESPN	B'ball: Kansas State-Oklahoma	2.4	1,202,000
4. Feb. 23	ESPN	B'ball: N.C. State-Duke	2.4	1,202,000
5. Feb. 25	ESPN	SportsCenter	2.4	1,202,000
6. Feb. 21	WTBS	NBA: Boston-Seattle	2.4	1,145,000
7. Feb. 20	ESPN	B'ball: Purdue-Illinois	2.3	1,152,000
8. Feb. 25	ESPN	B'ball: Georgetown-St. John's	2.3	1,152,000
9. Feb. 21	ESPN	Truck & Tractor Pull	2.0	1,002,000
10. Feb. 24	WTBS	NBA: Utah-Denver	1.9	929,000

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Is pay marketing working too well?

Operators riding a tiger. 32

As MSOs increasingly take advantage of marketing and promotional campaigns by the pay networks, they are seeing their numbers climb rapidly, but some system managers worry that steep price discounts that are at the heart of many of the time-lock campaigns are eroding the price/value relationship of basic service.

Signalling an increasing emphasis on longer-term marketing

Pay's marketers sense a new frontier

A focus on year-round campaigns. 40

Now that pay networks like HBO and Showtime have mastered the subtle art of direct mail and have learned to allow operators to customize national promotions for maximum local advantage, the game may soon evolve still further. Look for more image advertising that will help build brand awareness and fewer three-month free trial offers.

About the Guide

Knowing that Rolodexes do tend to get out of date, *CableVision* last year compiled the first complete reference work listing all pertinent information about every cable network and program supplier. This year we again deliver the same wall-to-wall information for use by operators, vendors, program suppliers and ad agency buyers.

Fighting a big problem with churn

A Year Of Pay Growth

	February 1988		February 1989		
Service	Affiliates	Subscribers	Affiliates	Subscribers	% Sub Increase
American Exxxtasy	35	25,000	35	27,000	7
Cinemax	3,650	5,100,000	3,650	6,600,000	22
The Disney Channel	4,300	3,810,000	5,000	4,337,300	12
Home Box Office	6,700	15,900,000	7,400	17,000,000	6
The Movie Channel	3,250	2,600,000	3,250	2,700,000	3
The Playboy Channel	600	520,000	526	470,000	-9
Showtime	3,200	5,700,000	6,000	6,600,000	13

Look how their gardens grow

COVER PHOTOGRAPH

Savvy marketers like Showtime's Matt Blank and others are driving the pay category to unexpected success.

Photo by Lou Manna

Pay marketing works —perhaps too well

* * *

By Craig Kuhl

Operators worry that savvy subs are holding back for next promotion

As the pay networks intensify their increasingly successful marketing campaigns through "time-locked" promotions, cable operators face an interesting dilemma: how to use the intensive pay promotions to maximum advantage without losing sight of the prime objective of gaining new basic subscribers.

'We've had a big problem with churn. We'll bring on a new HBO sub, but the customer will drop another pay channel. We need to upgrade to dual and triple pays and shorten the time-locks because they reduce the value of the product at the expense of another service.'

—Marjorie Masters, director of marketing, Falcon Cable

For the operator, the flood of pay promotions is a mixed blessing. They offer systems a cost-effective—almost free—method of promoting the pay networks, but at the same time many fear that the campaigns, usually based on discounted pricing, endanger the price/value integrity of basic service. In this environment, systems are fast becoming only as good as their last promotion, and some believe a cannibalization of basic is inevitable.

In most cases, MSOs welcome the influx of pay promotions with their wealth of detailed marketing support. Many larger MSOs are encouraging system managers to tie pay promotions to local marketing efforts, riding the pay campaigns, which already use local media, to create two or three "big bangs" a year.

Some operators, though, say they fear that subscriber attention is being focused on price discounts, often for two months or more, with potential customers holding back in anticipation of the next promotion. Says Darlene Fedun, vice president of marketing at Cablevision Industries, "It resembles the silver market, or airline discounts. Nobody pays full price anymore because they are discounted so much. If we continue to cheapen the product, at least from a public's perception, nobody will want it. People will become numb towards promotions."

But the low cost of the many off-the-shelf pay promotions quickens the pulse of even the most skeptical of operators, particularly at the smaller MSOs. "We really follow their lead," says Vince King, president of

> 'I've seen the best promotions the past six months from the pays, and it's probably due to the competition. Of the people who took a pay service for three months, 80 percent retained the service.
>
> *—Vince King, president of ACI, Nashville*

ACI, a small MSO in Nashville. "I've seen the best promotions the past six months from the pays, and it's probably due to the competition. If they continue doing this well, pay penetration will continue to increase."

King employs the major pay promotions and has no quarrel with 90-day trial periods, because he says that is the minimum time in which to capture, and keep, a subscriber. "We do as much localization as possible around a major pay promotion and cannibalize as much as possible. Of the people who took a pay service for three months, 80 percent retained the service." King's hunch is that the first month of pay service is unique to a subscriber; in the second month the subscriber reverts to old viewing habits, while in the third month he will develop new viewing habits heavily skewed to cable. "We've got to market our product using innovation and the pay programmer's skills. We know we're probably giving away a half-month too much with our 90-day promotions, but it will keep the customer for at least a year."

The question arises as to what help the basic channels can lend in these marketing pushes. "The problem is that people get basic and don't know what's on it," says Fedun. "There seems to be a lack of cooperative resources among the basic channels, and I don't see suppliers getting together beyond National Cable Month, which is successful in gaining new subs. Many basic programmers will participate in promotions, but they all do it separately. We need basic program suppliers to agree on one strategy—such as time-lock promotions—to achieve cable's goal of generating new subscribers."

The discrepancy between the number and quality of off-the-shelf pay promotions and those by the basics offered to operators is significant, yet a caveat exists with the sheer number of pay promotions, according to Dean Gilbert, vice president of marketing at KBLCOM. "It's difficult for operators to turn down promotional offers from the pays, but it would be a big mistake to do three or four price promotions a year. You're playing a share-shifting game. The pay suppliers are important, but operators have a responsibility to build their brands and not become subject to overeliance on pay product promotions," he cautions.

Gilbert echoes other operators' concerns about the perceived value of the product by suggesting that "there is an alarming rate of decline in the perceived value of cable" due to the shotgun marketing approach by many operators and the wealth of available pay service promotions and price discounts.

Marjorie Masters, director of marketing at Falcon Cable, suggests the answer may be in upgrades. "We've had a big problem with churn. We'll bring on a new HBO sub, but the customer will drop another pay channel. We need to upgrade to dual and triple pays and shorten the timelocks because they reduce the value of the product at the expense of another service."

The integration of local marketing campaigns—which can include everything from local advertising to special events—with the increasingly sophisticated promotional offers from the pays has become crucial to systems nationwide.

A growing number of operators and industry leaders have expressed the fear that cable's image in local communities is regressing, and that a more personalized, caring attitude is needed to restore the consumer's faith in cable as a local employer and good corporate citizen. Most operators agree, including Westmarc Director of Marketing Colleen Abdoulah. "Time-lock promotions work, but they must be integrated with local campaigns to give the local cable system a certain look." Abdoulah points to a recent Disney promotion which proved successful with an 18 percent retention rate. "We reduced the package price from $10.95 to $6.95 and it was very successful." But she also notes that through the training of CSRs and technicians, a more consumer-friendly atmosphere exists, and is paying off. "They're saying to the customer, 'what do you like to watch' then matching that with the available cable packages."

The public's perception of the pays, according to many operators, has improved the past year, making the operators' decision as to which time-lock promotions to use even tougher. Carolyn Lineback, director of marketing for 17 TCI-owned systems in Montana, says the reason is because the pays are helping to localize their campaigns, and beginning to understand the value of home-town marketing. "People are realizing the value of the pays and local tie-ins with their promotions," Lineback says. "We can do lots around a pay promotion. For instance, we followed a pay promo with a 'cabin fever special' using a corporate promotion. We have lots of autonomy to localize our marketing efforts," Lineback says. "If we can get pays into the home, we can keep about 50 percent of the subs."

Lineback, however, exemplifies the common problem among many small to mid-size systems—a lack of resources—meaning "we just don't have the luxury of increasing our number of promotions during time locks."

The increased sensitivity by the pay networks toward local promotions and time-locks has been a major reason for the pays' recent success, according to many operators and MSO executives, including Comcast Vice President of Marketing and Sales Richard Sperry. "The fact that pay suppliers offer inexpensive, but extensive, campaigns has allowed systems to co-op and divert more funds to local promotions. Plus, the marketing people at the system level are more inventive with time-locks." However, Sperry cautions against overselling the product. "If it (pay channel) is oversold, it is down-

Continued on page 48

A YEAR OF PAY GROWTH

	February 1988		February 1989		
Service	**Affiliates**	**Subscribers**	**Affiliates**	**Subscribers**	**% Sub Increase**
American Exxxtasy	35	25,000	35	27,000	7
Cinemax	3,650	5,100,000	3,650	6,600,000	22
The Disney Channel	4,300	3,810,000	5,000	4,337,300	12
Home Box Office	6,700	15,900,000	7,400	17,000,000	6
The Movie Channel	3,250	2,600,000	3,250	2,700,000	3
The Playboy Channel	600	520,000	526	470,000	-9
Showtime	3,200	5,700,000	6,000	6,600,000	13

A YEAR OF BASIC GROWTH

	February 1988		February 1989		
Service	**Affiliates**	**Subscribers**	**Affiliates**	**Subscribers**	**% Sub Increase**
ACTS Satellite Network	351	6,300,000	387	9,000,000	30
Alternate View Network	243	3,000,000	250	4,000,000	25
A&E Cable Network	2,500	30,000,000	3,000	38,000,000	21
Black Entertainment TV	1,000	18,000,000	1,800	21,197,000	15
Cable News Network	11,738	42,528,000	11,860	49,565,000	14
Cable Value Network	1,500	18,400,000	1,850	21,000,000	12
CBN Family Channel	7,817	37,212,000	8,303	43,769,000	14
C-SPAN	2,750	33,000,000	3,100	41,500,000	19
C-SPAN II	475	12,500,000	3,100	16,500,000	24
Country Music TV	568	6,800,000	862	8,000,000	15
The Discovery Channel	2,700	27,494,000	4,643	37,627,000	26
Eco	300	1,000,000	300	1,000,000	0
ESPN	N.A.	46,100,000	9,500	50,132,000	8
Eternal Word TV Network	387	7,100,000	490	10,800,000	34
FamilyNet	39	1,049,218	54	1,200,000	12
The Fashion Channel	600	8,700,000	650	10,100,000	13
Financial News Network	1,770	27,300,000	3,500	33,000,000	17
FNN/Score	1,150	19,800,000	1,600	19,800,000	0
FNN/TelShop	850	11,000,000	1,350	14,800,000	25
Headline News	3,608	28,352,000	3,410	34,911,000	18
Home Shopping Network	1,108	15,200,000	1,438	16,415,712	7
Home Shopping Network II	260	5,800,000	357	6,169,357	5
Inspirational Network	1,050	10,500,000	920	9,500,000	-9
The Learning Channel	930	11,000,000	990	15,100,000	27
Lifetime	3,500	35,440,000	3,800	41,728,000	15
Mind Extension University	663	1,300,000	84	2,200,000	40
Movietime	60	4,000,000	342	11,500,000	65
MTV	4,590	39,400,000	5,220	44,433,000	11
The Nashville Network	6,330	37,000,000	7,741	43,211,000	14
Nickelodeon	5,670	37,900,000	6,485	43,679,000	13
Nick At Nite	3,175	32,500,000	3,395	39,600,000	17
The Nostalgia Channel	185	2,500,000	305	4,000,000	37
QVC Network	810	11,200,000	1,033	14,000,000	20
Shop TV Network	60	3,000,000	119	5,100,000	41
Silent Network	380	10,000,000	404	12,300,000	18
Superstation TBS	N.A.	42,528,000	9,246	47,943,000	11
The Travel Channel	220	7,000,000	400	11,000,000	36
Trinity Broadcasting Network	523	7,037,000	725	9,100,000	22
USA Network	9,200	41,000,000	10,100	46,433,000	11
VH-1	1,715	24,700,000	2,300	30,000,000	17
The Weather Channel	3,100	31,600,000	3,600	37,101,000	14
WGN-TV	10,809	23,888,216	11,415	24,900,000	4
WPIX-TV	617	8,875,212	858	9,678,474	8
WWOR-TV	2,293	9,657,482	2,600	12,500,000	22
Bonus/basic services					
American Movie Classics	1,300	9,000,000	1,500	14,500,000	37
Bravo	350	1,000,000	350	1,500,000	33

Pay marketers put pedal to the metal

By Wayne Friedman

Showtime's Matt Blank

Now that direct mail, special promotions for installations and free previews are the norm for HBO, Showtime and The Disney Channel in their seasonal marketing drives, pay services are positioning themselves for the next level of consumer marketing. Some executives say that will be to wean customers off expensive discount offers during seasonal campaigns in favor of smoother, year-round marketing drives. But other marketers want to stay the course, increasing the pace and intensity of their promotions.

There's also a good argument for leaving well enough alone. For the second year in a row, the pay category as a whole has grown by surprising leaps. HBO ended 1988 up seven percent to 17 million homes; Showtime soared 16 percent to 6.6 million; Cinemax grew by 17 percent to 6.0 million; The Disney Channel rose 14 percent to 4.3 million; while The Movie Channel gained eight percent to 2.7 million. It's hard to argue with that success.

While it's true that the means seem to justify the ends, these gains have come at a price. The one-, two-, or three-month free promotions may have attracted the wrong type of customers for the wrong reasons. "(Subscribers) are buying the deal, not the service," says Mike Hale, vice president of marketing for The Playboy Channel.

That's why HBO and Showtime cut back on the free offers to customers during 1988. "In the past year, we have backed off a little bit. We have qualified consumers in giving them half-price offers," says Matt Blank, executive vice president of marketing, creative services and public relations for Showtime Networks. The company thinks this will weed out those that will take anything for free, allowing Showtime to focus on those subscribers who are interested, on some level, with the service. HBO similarly has cut back on half-price initial offers for non-subscribers.

All this activity means a slight and subtle shift of marketing for pay television. John Billock, senior vice president of marketing for HBO, says now that the industry is mastering the art of direct mail and other marketing tools, "we have to move into the second phase."

That means a streamlined advertising campaign across HBO's three seasonal drives in the winter, spring and fall, in order to tell current subscribers what they have and to heighten interest by non-subscribers. "We are going to be stepping up image advertising.... We have got to grow the category. In a year or two you'll see increasing emphasis on a longer-term marketing approach," says Billock.

Image advertising means not offering HBO at a sale price (in reference to the discounts), but rather telling the subscriber and the non-subscriber what HBO is all about. Starting this April, HBO will be testing its image advertising across 20 percent of U.S. households, primarily using national spot television on over-the-air stations.

"We are not talking about getting away from retail promotional marketing. What we are talking about is a much more sustaining level of value of advertising which is necessary for the category at large," says Billock. Part of this logic for overlaying a longer-term message to consumers, says Billock, is to create a stable environment. Primarily, it's to whittle down the 3 percen to 4 percent churn rate that historically has plagued pay TV marketers.

Blank doesn't see the current marketing campaigns by the pays as the prime reason to cut down on churn because he and others feel

> 'We are going to be stepping up image advertising...We have got to grow the category. In a year or two you'll see increasing emphasis on a longer-term marketing approach.'
>
> *—HBO's John Billock*

that churn always will be with the pay category to some extent, especially when the industry is growing. When pay was slumping a few years ago, he recalls, the disconnect rate was in the low 3 percent a month range. But at the same time the install rate also was comparably low. There is a linear relationship here, says Blank: "If your install rate goes up, your disconnect rate goes up.... One of the costs of growth is more turnover."

Blank says operators shouldn't be too troubled by higher pay disconnect rates that follow the sub increases generated by free promotions. "These transactions cost money, but that's the nature of the game. It's almost definitive for the business that we are in. You know if you don't promote you don't grow. And when you do promote you seem to grow pretty dramatically, and year-to-year pretty dramatically."

With the pay universe churning roughly 45 percent to 50 percent of subscribers every year—but still growing overall year-to-year—Blank says that the industry should get accustomed to this "regeneration" factor that is inherent in the business, and focus on the net growth.

Blank offers this example. If no marketing were done for a 1 million sub pay network, a 50 percent turnover rate would mean the network would drop to 500,000. But in reality that doesn't happen. This hypothetical service might actually lose 10 percent to 900,000. While operators often say a dangerously large number of subscribers churn out, that's rarely the case. "There's a higher rate of disconnects after campaigns," Blank says, "but they churn back in also because year-to-year (networks) keep growing. And if all these people churned out, you'd be reading that pay was down and basic was down."

With some level of marketing, however, a pay service of 10 million subscribers growing 10 percent a year, or 1 million subscribers, would lose half that gain the next year. But there's still permanent growth from this gain to build on. "Each year as you grow, you create additional little bases on growth that keep regenerating. And that's the dynamic that people never put into their analysis of turnover per cost of sales. There is a momentum in the subscriber universe," says Blank.

The Disney Channel likewise knows the value of promotion discounts and free previews and their importance to yearly sub growth. It plans to continue these efforts and, in the case of free previews, increase their frequency. Last year Disney offered three months for the price of one, notes John Cooke, TDC president. That tactic plus viewer acceptance of first-run programming on the channel were the reasons for the growth, he says. Cooke believes TDC was the first network to offer free weekend previews, as well as the three months for the price of one offer.

"We are in the subscription business and without sampling you don't grow," says Cooke, who can't emphasize enough the importance of letting nonsubscribers try out programming. On the question of getting customers hooked on freebies, Cooke says, these deep discount offers are done carefully. "We believe in the integrity of our wholesale and retail rate. We really don't believe in long-term compromising of our pricing." As a result, Cooke says, the average retail price of The Disney Channel barely dropped more than 10 cents on average in 1988 versus 1987. Disney's average retail price was between $7-$8 a month.

Because it also believes in a more non-seasonal marketing strategy, The Disney Channel has been increasing its promotional efforts in January and February. This is in addition to Disney's usual strong marketing pushes in late November and December, and again in May and June.

Michael Jackson's *Moonwalker* reaches Showtime Apr. 15

In launching Night Life, the new, softer version of The Playboy Channel, marketing chief Mike Hale says a direct mail pitch will take place a minimum of three times a year. But that's not the important ingredient. "The trick is how you keep activity going in the marketplace with marketing and public relations because people use television every day," says Hale.

In contrast to the broader services such as HBO, Showtime and Disney, Night Life will be marketed to a select audience. As far as promotions go, Hale believes in possibly instituting a 15- to 30-day money back guarantee. He says there is evidence from one system which employed this tactic and cut down the disconnnect rate to one percent a month. A fall relaunch is planned for Night Life.

All this activity in pay marketing and the resultant rise in the number of subscribers not only gives the industry more confidence to intensify its marketing efforts, but it also emboldens those who are dreaming up new pay channels.

Ron Harris, chairman of Maximum Entertainment Network (MEN), says this environment will help the growth of his proposed network, but he says that's not the key for a pay startup. Programming geared to a narrower audience is the real crux of building pay for the future. MEN will concentrate on what its acronym espouses, the adult male demographic ages 35-54.

Harris thinks he can edge into this still tough, but growing, marketplace from a dead start for a number of reasons. One is cost. Programming expenses will only amount to $1.7 million a month for 12 shows that will run alternately during a 6 p.m. to 2 a.m. time period. MEN is scheduled to launch at the end of 1989. His subscriber goals are modest ones: 50,000 in the first year; 168,000 in the second, 375,000 in the third; 840,000 in the fourth.

If history means anything in the pay category, a strong marketing and advertising effort full of free-month trial offers and discount installations will be needed, he added.

This is where the pay business is these days. For established pay channels basking in the glow of suprisingly strong, steady growth—after years of some trouble—HBO's Billock sends out a warning that the industry needs to move on, not to be trapped by its successes: "If you live and die by deep discounting, over time you are going to lose your franchise." ■

- The following personnel notes were received after our Program Network Guide went to press: At Home Sports Entertainment, Hal Kemp is operations director, Joe Gagliardi is affiliate sales director and Ted Rudolph is ad sales director. HSE should be noted as a basic regional service. Also, Tom Comerford has become sales director with Sunshine Network.

CABLE PENETRATION COMPARISON

	Total TV households	Homes passed	Cable TV households	Cable % of TV households
A.C. Nielsen				
2/88	88,600,000	N.A.	45,480,100	51.1%
2/89	90,400,000	N.A.	49,537,730	54.8%
Arbitron				
2/88	88,812,800	N.A.	44,911,200	50.6%
11/88	90,000,100	N.A.	46,627,100	52.5%
Paul Kagan Associates				
1/88	88,700,000	73,400,000	42,900,000	48.3%
1/89	89,800,000	76,900,000	45,900,000	51.1%

Nielsen figures include Alaska & Hawaii

Cable Network Ad Performance

Dec. 1988 billings	Dec. 1987 billings	Year-to-year dollar change	Year-to-year percent change
$72,706,682	$50,381,172	$22,325,[illegible]	30.7%

Top 10 cable net sponsors/Dec. 1988

1.	Procter & Gamble	$3,087,754
2.	Time Inc.	3,076,005
3.	Anheuser-Busch	1,885,493
4.	General Mills	1,817,744
5.	Philip Morris	1,458,930
6.	RJR Nabisco	$1,437,050
7.	Ralston Purina	1,081,178
8.	Thompson Medical	913,532
9.	Sears	911,387
10.	Unilever	863,205

Top 10 cable net sponsors/4th Quarter 1988

1.	Procter & Gamble	$8,485,045
2.	Time Inc.	8,026,496
3.	Anheuser-Busch	6,611,476
4.	General Mills	6,312,688
5.	RJR Nabisco	4,753,834
6.	Philip Morris	$4,257,401
7.	General Motors	4,205,537
8.	Levi Strauss	3,134,590
9.	Chrysler	2,700,871
10.	Ralston Purina	2,508,833

Source: Broadcast Advertising Reports data; figures represent combined billings of CBN, CNN, ESPN, MTV, USA and Superstation TBS

	4th Qtr. 1988 billings	4th Qtr. 1987 billings	Year-to-year dollar change	Year-to-year percent change
CBN	$20,599,293	$16,292,732	$ 4,306,561	20.9%
CNN	33,460,328	25,902,483	7,557,845	22.5%
ESPN	56,450,570	42,527,282	13,923,289	24.6%
MTV	24,802,633	18,861,290	5,941,343	23.9%
TBS	62,304,946	42,939,328	19,365,618	31.0%
USA	35,861,583	22,781,647	13,079,936	36.4%

Source: Boradcast Advertising Reports data

Subscriber Universe Estimates

	Total TV households	Cable TV households	Homes passed	Cable percent of TV households
A.C. Nielsen	90,400,000	49,500,000	N.A.	54.8%
Arbitron	90,000,100	46,62,100	N.A.	52.5%
Paul Kagan Associates	89,000,000	45,900,000	76,900,000	51.1%

Subscriber numbers as of Feb. 1989
Nielsen figures include Alaska & Hawaii

TOP-RATED BASIC NETWORK SERIES/FOURTH QUARTER '88

	Program	Rating	Households
A&E*			
1.	Victory At Sea	1.5	544,000
2.	20th Century	1.3	471,000
3.	Churchill Years	1.1	399,000
4.	Biography	1.1	399,000
5.	Journeys	1.0	363,000
CBN			
1.	Bonanza (Sunday	2.8	1,185,000
2.	Bonanza (Saturday)	2.6	1,148,000
3.	Gunsmoke (Saturday)	2.5	1,070,000
4.	Big Valley (Saturday)	2.4	1,050,000
5.	Big Valley (Sunday)	2.3	1,012,000
CNN			
1.	Larry King Live	1.4	665,000
2.	Healthweek	1.2	600,000
3.	News Update (Sat. 9AM)	1.2	583,000
4.	Science & Technology Week	1.2	583,000
5.	News Update (Sat. 10AM)	1.2	583,000
The Discovery Channel			
1.	Beyond 2000	1.0	361,000
2.	Safari	1.0	350,000
3.	Natural World	0.9	333,000
4.	New Animal World	0.8	299,000
5.	Profiles of Nature	0.8	292,00
ESPN			
1.	NFL	9.3	4,640,000
2.	College Football-Primetime	3.5	1,747,000
3.	College Football-Afternoon	2.8	1,403,000
4.	NFL Primetime	2.7	1,353,000
5.	NFL Gameday	2.4	1,202,000
Lifetime			
1.	MacGruder & Loud	1.5	585,000
2.	Saturday 5 P.M. Movie	1.3	567,000
3.	Easy Street (Saturday)	1.2	501,000
4.	Saturday 7 P.M. Movie	1.2	496,000
5.	Lady Blue (Saturday)	1.1	496,000
The Nashville Network			
1.	Country Kitchen (Saturday)	2.4	1,048,000
2.	Inside Winston Cup	2.2	962,000
3.	MotoWorld	2.2	948,000
4.	Nashville Now	2.1	948,000
5.	Grand Ole Opry Live	2.1	890,000
USA Network			
1.	All American Wrestling	2.7	1,268,000
2.	Prime Time Wrestling	2.7	1,240,000
3.	Murder, She Wrote	2.7	1,234,000
4.	Miami Vice	2.5	1,158,000
5.	She-Ra	2.5	1,183,000
WTBS			
1.	Award Theater (Sunday AM)	3.4	1,622,000
2.	Andy Griffith (Sunday)	2.9	1,364,000
3.	Prime Movie I (M-F)	2.8	1,299,000
4.	Sunday Afternoon Movie	2.7	1,285,000
5.	Flintstones (Sunday)	2.6	1,248,000

All ratings from Nielsen's Homevideo Index.
*Program ratings are gross rating points, the sum of multiple daily telecasts.
MTV Networks would not provide ratings or show information for its basic services.

Continued from page 36

graded and you end up treading water. We shouldn't oversell the product."

Dan Basnight, director of marketing at Telecable Corp., agrees. "When HBO is on sale for $4.95 nine months out of the year, the perceived value of that service is reduced and people's perception of the value of that product equates to about five or six dollars."

MSOs express a real and growing concern that pay marketing campaigns will become even more intensive and de-value basic service. Yet the pays make it difficult to say no to their marketing packages, which they produce and mail, while offering operators an incentive to contract for an entire one-year campaign. "If you commit to their time-lock promotions, they'll increase their media weight, and many times will include basic connection promotions, too. All this for the cost of postage," says an awed Lineback.

That scenario is what worries many MSOs. "Despite some pay services saying they're interested in basic attention, they really aren't," complains Dale Parker, senior vice president of marketing and programming for Heritage Communications. "We are able to modify somewhat the shelf programs from pays, but for the most part we have to take what's laid down. We watch that very closely and include basic materials as an integral part of the offer."

Ted Livingston, senior vice president of marketing for Continental Cablevision, suggests that although time-locks are important to operators, they are only effective "if they are media intensive and designed to get new pay units. If they are too offer-intensive and discounted, the basics just don't get the attention they should. I'd rather see a more even-handed approach." ■

Pay-Per-View Supply Chart

March — Source

A Fish Called Wanda — **MGM/UA**
MPAA Rating: R — Running Time: 109 mins.
Cast: Jamie Lee Curtis, John Cleese, Kevin Kline

A Handful Of Dust — **Avalon**
MPAA Rating: PG — Running Time: 119 mins.
Cast: Alec Guinness, Kristin Scott Thomas, Anjelica Huston

Bagdad Cafe — **Island**
MPAA Rating: PG — Running Time: 92 mins.
Cast: Jack Palance, Marianne Sagebrecht

Body Beat — **Avalon**
MPAA Rating: PG — Running Time: 96 mins.
Cast: Tony Fields, Galyn Gorg, Eliska Krupka, Julie Newmar

Bull Durham — **Orion**
MPAA Rating: R — Running Time: 108 mins.
Cast: Kevin Costner, Tim Robbins, Susan Sarandon

Caddyshack II — **Warner Bros.**
MPAA Rating: PG — Running Time: 98 mins.
Cast: Jackie Mason, Dan Aykroyd, Chevy Chase, Dyan Cannon

The Dead Pool — **Warner Bros**
MPAA Rating: R — Running Time: 92 mins.
Cast: Clint Eastwood

Deadly Intent — **Fries**
MPAA Rating: R — Running Time: 83 mins.
Cast: Lisa Eilbacher, Steve Railsback, Maud Adams, Fred Williamson, David Dukes

Elvira, Mistress Of The Dark — **HBO**
MPAA Rating: PG-13 — Running Time: 96 mins.
Cast: Cassandra Peterson (Elvira), Edie McClurg

The Good Mother — **Disney**
MPAA Rating: R — Running Time: 105 mins.
Cast: Diane Keaton, Jason Robards, Ralph Bellamy

Midnight Run — **Universal**
MPAA Rating: R — Running Time: 127 mins.
Cast: Robert DeNiro, Charles Grodin, Yaphet Kotto

Nightfall — **MGM/UA**
MPAA Rating: PG-13 — Running Time: 82 mins.
Cast: David Birney, Sarah Douglas

Pascali's Island — **Avenue**
MPAA Rating: PG-13 — Running Time: 104 mins.
Cast: Ben Kingsley, Charles Dance, Helen Mirren

Poltergeist III — **MGM/UA**
MPAA Rating: PG-13 — Running Time: 96 mins.
Cast: Nancy Allen, Tom Skerritt

The Presidio — **Paramount**
MPAA Rating: R — Running Time: 97 mins.
Cast: Sean Connery, Mark Harmon, Meg Ryan

The Rejuvenator — **Sage**
MPAA Rating: R — Running Time: 88 mins.
Cast: Vivian Lanko, John MacKay

Salome's Last Dance — **Vestron**
MPAA Rating: R — Running Time: 89 mins.
Cast: Glenda Jackson

Story Of A Junkie — **Troma**
MPAA Rating: R — Running Time: 80 mins.

April — Source

Betrayed — **MGM/UA**
MPAA Rating: R — Running Time: 94 mins.
Cast: Tom Berenger, Debra Winger, John Heard

The Big Blue — **Weintraub**
MPAA Rating: PG — Running Time: 119 mins.
Cast: Rosanna Arquette, Griffin Dunne, Paul Shenar

Big Business — **Shenar**
MPAA Rating: PG — Running Time: 98 mins.
Cast: Bette Midler, Lily Tomlin, Fred Ward

Clean & Sober — **Warner Bros.**
MPAA Rating: R — Running Time: 125 mins.
Cast: Michael Keaton, Kathy Baker, Morgan Freeman

Feds — **Warner Bros.**
MPAA Rating: PG-13 — Running Time: 83 mins.
Cast: Rebecca DeMornay, Mary Gross

Imagine: John Lennon — **Warner Bros.**
MPAA Rating: R — Running Time: 106 mins.

Married To The Mob — **Orion**
MPAA Rating: R — Running Time: 104 mins.
Cast: Michelle Pfeiffer, Matthew Modine, Dean Stockwell, Mercedes Ruehl

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to *Cablevision* by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events.	1,000,000
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,300,000
Request Television	November 27, 1985	R-1: Satcom III-R, tr.19 R-2: Satcom III-R, tr.4	VideoCipher II	Two channels offering movies and special events	3,300,000
Tuxxedo Network	December 1, 1987	Galaxy II, tr. 10	VideoCipher II	Adult movies and special events.	304,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Two channels of movies and special events	4,600,000
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: movies. Channel 2: Cult movies, and rental video favorites. Channel 3: Additional plays of Chs. 1/2 titles. Channel 4: previes and barker information.	160,000

Basic Programming

A & E Cable Network
(212) 661-4500

555 Fifth Ave.
New York, NY 10017
PARENT COMPANY:
Hearst/ABC/NBC
New York, NY 10017
PERSONNEL: Nickolas Davatzes, President/CEO; Seymour Lesser, Executive VP/CFO; Whitney Goit II, Senior VP/Sales & Marketing; Lawrence Divney, VP/Ad Sales; Daniel Davids, VP/Affiliate Sales; Peter Hansen, VP/Programming; Mary Ann Zimmer, VP/Legal & Busiess Affairs; Abbe Raven, VP/Production Services; Carole Kealy, Director/Affiliate Marketing; Ronald Schneier, Dir. Research/Consumer Mktg.; Susan Thayer, Senior VP/CFO; Lori Sue Meyers, Manager/Creative Services; Elisa Proctor, Sales Promotion Manager; Lisa Cowles, Manager/Sales Support; Mara Magons, Consumer Marketing Coordinator;
REGIONAL OFFICES: 111 E. Wacker Drive, Suite 1404, Chicago, IL 60601 (312) 819-0191, Lawrence Widrig; 5455 Wilshire Blvd., Los Angeles, CA 90036 (213) 933-7496, Mathew Tomber; 1184 Greenleaf Dr., Rochester, NY 48063 (313) 651-2770, Jon Stitle.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Comedy, drama, documentary and performing arts programming.
SATELLITE: Galaxy I/12
SUBSCRIBER INFORMATION:
Affiliates: 3,000
As of: 02/01/89
Subscribers: 38,000,000
Price/sub: $.09 per sub
ADVERTISING:
Local Advertising Available
2 minutes per hour
RATINGS:
Primetime: .9
7 am - 11 pm: .7
Dec 87 vs Dec 88: .9 vs .7
4th Quarter 87 vs 4th Quarter 88: .7 vs .6
RATING SOURCE: A.C. Nielsen

ACTS Satellite Network
(512) 826-0940

1777 N.E. Loop 410, Suite 1100
San Antonio, TX 76217
PARENT COMPANY:
ACTS Satellite Network, Inc.
6350 West Freeway
Fort Worth, TX 76150
(800) 637-4011
PERSONNEL: Dr. Jimmy Allen, President; Dr. Richard McCartney, Exec. VP; Gene Linder, Sr. VP/MSO Relations; Dr. Bill Nichols, Sr. VP/Sales; Tom Rogeberg, Sr. VP/Sales; Michael Wright, VP/Affiliate Relations
REGIONAL OFFICES: Western: Rod Moerer, P.O. Box 1119, Mount Shasta, CA 96067 (916) 926-4320; Northeast: Don Smith, 324-7 Main Ave., Suite 200, Norwalk, CT 06851 (203) 848-4555; Southwest: Jim Robinson, 6350 West Freeway, Fort Worth, TX 76150 (817) 737-3241; Southeast: W. Mark Snowden, P.O. Box 16188, Atlanta, GA 30321 (404) 477-54556.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Family programming focusing on women, health, children, life support and inspiration. ACTS includes magazine programs, classic movies, concerts, cooking shows, handyman tips, children's shows, and music videos.
SATELLITE: Galaxy III/7
SUBSCRIBER INFORMATION:
Affiliates: 393
As of: 1/1/89
Subscribers: 9,061,991
ADVERTISING:
Local Advertising Available
1 minute per hour

Alternate View Network
(318) 226-8776

WATS(National) . . . .(800) 446-7442
500 Common St.
Shreveport, LA 71101
PERSONNEL: D.L. Dykes, President; J. David Stone, Executive Director; Jack Easterwood, Chief Engineer; Rose Mary Miller, Executive Assistant; John Mark Willcox, Production Coordinator;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 5:30am-11am daily (EST)
PROGRAM FORMAT: Family oriented, moral, ethical, value and religious programming.
SATELLITE: Satcom IV/10
SUBSCRIBER INFORMATION:
Affiliates: 300
As of: 12/01/88
Subscribers: 4,500,000

American Movie Classics
(516) 364-2222

150 Crossways Park West
Woodbury, NY 11797
PARENT COMPANY:
Cablevision Systems
Woodbury, NY 11797
NBC
30 Rockerfeller Plaza
New York, NY 10020

PERSONNEL: Joshua Sapan, President/COO; Kate McEnroe, VP/General Manager; Carole Shander, VP/Corporate Communications; Noreen O'Loughlin, Director/Marketing; Tom Karsch, Assistant Director/Marketing;
REGIONAL OFFICES: Eastern Region: 420 Crossways Park Dr., Woodbury, NY 11797 (516) 364-1160, Dennis Patton, Regional Director; Central Region: 1111 East Touhy Avenue, Des Plaines, IL 60018 (213) 296-0272, Mary Collins, Regional Director; Western Region: 10350 Santa Monica Blvd., Los Angeles, CA 90025 (213) 203-0917, Mary Murano, Regional Director.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 3pm-4am(M-F) 1pm-7:30am(S-S)
PROGRAM FORMAT: Movies, movie-related minifeatures and documentaries.
SATELLITE: Satcom IIIR/12
SUBSCRIBER INFORMATION:
Affiliates: 1,500
As of: 11/01/88
Subscribers: 14,500,000
ADVERTISING:
Commercial-free—No Advertising

BET
We're Coming On For You!

Black Entertainment Television
(202) 337-5260

1232 31st St. NW
Washington, DC 20007
PARENT COMPANY:
Black Entertainment Television
Washington, DC 20007
PERSONNEL: Robert Johnson, President; Curtis Symonds, VP/Affiliate Relations; Jefferi Lee, VP/Network Operations; Janis Thomas, VP/Advertising; Debra Lee, VP/General Counsel; Antonia Duncan, VP/Finance; William Wallace, VP/Programming; James Ebron, VP/Network Sales; Rosalyn Shaw-Doaks, Director/Affiliate Marketing; Robin Beaman, Public Relations Director
REGIONAL OFFICES: James Ebron, VP/Network Sales, 156 W. 56th St., New York, NY 10019 (212) 582-5080; Phillip Ghee, Director/West Coast Operations, 2801 W. Olive Ave., Burbank, CA 91505 (818)0 566-9948.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Family entertainment, black college sports, music videos, news and public affairs programming.
SATELLITE: Satcom IIIR/20
SUBSCRIBER INFORMATION:
Affiliates: 1,800
As of: 2/1/89
Subscribers: 21,197,000
Price/sub: $.05 per sub
ADVERTISING:
Local Advertising Available
2 minutes per hour

Bravo SM

Bravo
(516) 364-2222

150 Crossways Park West
Woodbury, NY 11797
PARENT COMPANY:
Cablevision Systems
Woodbury, NY 11797
NBC
30 Rockerfeller Plaza
New York, NY 10020
PERSONNEL: Josh Sapan, President; Kathleen Dore, VP/General Manager; Bruce Ferguson, Director/Sales; Laurie Giddins, Director/Marketing & Administration; Ed Carroll, Manager/Marketing & Admin.; Deborah Kiriluk, Marketing Coordinator;
REGIONAL OFFICES: 233 Main St., Suite 508, New Britan, CT 06051, Karen Jarmon, Director, 28698 Shenendoah Dr., PO Box 1512, Lake Arrowhead, CA 92352, Lenny Rock, Director.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 8pm-6am(M-F) 5pm-6am(S-S)
PROGRAM FORMAT: International films, jazz, theatre, dance, opera, classical music, documentaries and profiles.
SATELLITE: Satcom IIIR/4
SUBSCRIBER INFORMATION:
Affiliates: 400
As of: 12/01/88
Subscribers: 1,500,000
Advertising: Commercial-free

C-SPAN AMERICA'S NETWORK
444 NORTH CAPITOL STREET, N.W. • SUITE 412
WASHINGTON, D.C. 20001
202/737-3220

C-SPAN
(202) 737-3220

444 North Capitol St. NW
Suite 412
Washington, DC 20001
PARENT COMPANY:
C-SPAN
Washington, DC 20001
PERSONNEL: Brian Lamb, Chairman/CEO; Mike Michaelson, Executive VP; Robert Kennedy, VP/Business Affairs; Susan Swain, VP/Corporate Communications; Terry Murphy, Programming Director; Bruce Collins, VP/Corporate Counsel; Brian Lockman, VP/Network Operations; Kate Hampford, Director/Marketing; Lisa Kerr, VP/Business Affairs; Lori Fee, Affiliate Promotions Coord.; Gary Klepper, Eastern Region Rep.; Gregg Hill, Western Region Rep.; Barkley Kern, Central Region Rep.;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Live coverage of the U.S. House of Representatives and diverse public affairs programming.
SATELLITE: Galaxy III/24
SUBSCRIBER INFORMATION:
Affiliates: 3,100
As of: 11/01/88
Subscribers: 41,600,000
Price/sub: $.03 per sub

C-SPAN II
(202) 737-3220

444 North Capitol St. NW
Suite 412
Washington, DC 20001
PARENT COMPANY:
C-SPAN
Washington, DC 20001
PERSONNEL: Brian Lamb, Chairman/CEO; Mike Michaelson, Executive VP; Robert Kennedy, VP/Business Affairs; Susan Swain, VP/Corporate Communications; Terry Murphy, Programming Director; Bruce Collins, VP/Corporate Counsel; Brian Lockman, VP/Network Operations; Kate Hampford, Director/Marketing; Lisa Kerr, VP/Business Affairs; Lori Fee, Affiliate Promotions Coord.; Gary Klepper, Eastern Region Rep.; Gregg Hill, Western Region Rep.; Barkley

Kern, Central Region Rep.;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Live coverage of the U.S. Senate and diverse public affairs programming.
SATELLITE: Galaxy III/24
SUBSCRIBER INFORMATION:
Affiliates: 575
As of: 2/1/89
Subscribers: 16,500,000
Price/sub: $.03 per sub

THE CBN Family CHANNEL™

CBN Family Channel, The
(804) 523-7301

1000 Centerville Turnpike
CBN Center
Virginia Beach, VA 23463
PARENT COMPANY:
Christian Broadcasting Network
Virginia Beach, VA 23463
PERSONNEL: Tim Robertson, President; Paul Krimsier, VP/Programming & Promotions; Read Smartt, Director/Operations; Craig Sherwood, Director/Affiliate Relations; Earl Weirich, Director/Public Affairs; Rick Busciglio, VP/Cable Marketing; Madeliene Jones, Manager/Marketing Services; Dick Hammer, Managing Director/Ad Sales;
REGIONAL OFFICES: 522 Fifth Ave., 12th Floor, New York, NY 10036, Dick Hammer (212) 997-1710; 444 N. Michigan Ave., Suite 1000, Chicago, IL 60611, Steve Lentz (312) 222-0043; 9595 Wilshire Blvd., Suite 605, Beverly Hills, CA 90212, Kathryn Hutchinson (213) 273-3111; 100 W. Big Beaver Road, Suite 200, Office #9, Troy, MI 48084, Chuck Cahill (313) 680-6810.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Family programming ranging from original and exclusive drama and adventure series to documentaries, the classics in comedy, westerns and movies. Also shows for women, home and health programs, children's fare, specials and inspirational programs.
SATELLITE: Galaxy I/11
SUBSCRIBER INFORMATION:
Affiliates: 8,303
As of: 2/1/89
Subscribers: 43,769,000
Price/sub: $.08 per sub
ADVERTISING:
Local Advertising Available
2 minutes per hour
Tune-in co-op prog.
RATINGS:
24 Hours: .8
Primetime: 1.3
7 am - 11 pm: .9
RATING SOURCE: Nielsen Home Video Index

NBC Presents
cnbc
Consumer News & Business Channel

CNBC
(201) 585-2622

2200 Fletcher Ave.
Ft. Lee, NJ 07024
PARENT COMPANY:
Cablevision Systems
Woodbury, NY 11797
NBC
30 Rockerfeller Plaza
New York, NY 10020
PERSONNEL: Michael Eskridge, President/CEO; Caroline Vanderlip, VP/Affiliate Relations; Allan Gaherty, VP/Finance; Arthur Miller, Senior VP/Sales; Susan Packard, Senior Regional Director; Bob Davis, Executive Producer; Larry Smith, Regional VP/Affil. Relations; Bruce Ballard, Regional Dir./Affil. Relations; Annabella Riccio, Regional Dir./Affil. Relations; Patricia Karpas, Dir./Affil. Marketing; Joyce Gibney, Sr. Marketing Rep.; Peter Stuvtevant, News Programming Director
REGIONAL OFFICES: 3000 W. Alameda Ave., Burbank, CA 91523 (818) 840-3333, Debra Lieberman, Regional VP/Affiliate Relations; Bridget Baker, Regional Director/Affiliate Relations; Helen Taft, Account Executive. 2855 Coolidge Hwy, Suite 201A, Troy, MI 48084 (313) 643-9033.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Consumer, business and market news coverage. Plus coverage of issues like health care, personal finance, taxes, mortgages, travel, retirement planning, careers, and new product comparisons.
SATELLITE: Satcom IIIR/6
PREMIERE: 4/89
SUBSCRIBER INFORMATION:
Affiliates: N.A.
As of: 2/1/89
Subscribers: 12,000,000
ADVERTISING:
Local Advertising Available
3 minutes per hour

CNN
THE WORLD'S MOST IMPORTANT NETWORK

Cable News Network
(404) 827-1700

One CNN Center
Atlanta, GA 30348
PARENT COMPANY:
Turner Broadcasting System Inc.
Atlanta, GA 30348
PERSONNEL: Ted Turner, CEO; Burt Reinhardt, President; Ed Turner, Executive VP; Paul Amos, Executive VP; Jon Petrovich, Executive VP; John Baker, VP/Operations; Lou Dobbs, VP/Business News; Mary Alice Williams, VP/N.Y. Bureau; Bob Furnad, VP/Senior Executive Producer; Bill Headline, VP/Washington Bureau; Alma Knott, VP/Finance; Bill McPhail, VP/Sports; Jane Maxwell, VP/Special Projects; Jeanne Von Essen, VP/International Newsgathering; Farrell Reynolds, President/TBS Sales; Arthur Sando, VP/Marketing & Communications; Dave Williams, VP/Marketing; John Barbera, VP/Sales; Turner Cable Network Sales: Terry McGuirk, President; Julia Sprunt, VP Corp. Communications; Robert Thalman, VP Marketing
REGIONAL OFFICES: 303 E. Wacker Drive, Chicago, IL 60601 (312) 565-1717; 1875 Century Park East, Suite 320, Los Angeles, CA 90067; 109 N. Goliad, Rockwell, TX 75087 (214) 226-4948; 600 REN-CEN, Suite 1920, Detroit, MI 48243 (313) 871-3245; 6 East 43rd Street, 8th Floor, New York, NY 10017, (212) 692-5970.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Round-the-clock news coverage.

SATELLITE: Galaxy I/7,
SUBSCRIBER INFORMATION:
Affiliates: 11,860
As of: 2/1/89
Subscribers: 49,565,000
Price/sub: $.22 to .28 per sub
ADVERTISING:
Local Advertising Available
2 minutes per hour
$.22 to .28/month

Channel America

(212) 262-5353

24 W. 57th St.
Suite 804
New York, NY 10019
PERSONNEL: David A. Post, Chairman; Robert F. Mauro, President; Roger Percy, VP/Marketing; Kay Burke, Richard Spicer, Affiliate Relations
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Entertainment format including original programming, magazine format shows, viewer participation game shows, movies, and syndicated television series.
SATELLITE: Spacenet II/3
SUBSCRIBER INFORMATION:
Affiliates: 6 (low-power stations); cable to come
As of: 12/01/88
Subscribers: N.A.
ADVERTISING:
Local Advertising Available
4 minutes per hour
yes
% of network revenue

Country Music Television

(615) 255-8836

704 18th Ave. South
Nashville, TN 37203
PERSONNEL: James William Guercio, Chairman of the Board; Stan Hitchcock, Senior Vice President; Rene Ray, Director/Affiliate Relations; Nan Hoffman, Advertising Director
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: country music videos, interviews, and concerts.
SATELLITE: Galaxy I/13
SUBSCRIBER INFORMATION:
Affiliates: 994
As of: 2/15/89
Subscribers: 9,000,000
Price/sub: $.05 per sub
ADVERTISING:
Local Advertising Available
3 minutes per hour

Discovery Channel, The

(301) 577-1999

8201 Corporate Dr.
Fl. 122i
Landover, MD 20785
PARENT COMPANY:
Cable Educational Network
Landover, MD 20785
PERSONNEL: John Hendricks, Chairman/CEO; Ruth Otte, President/COO; Gregory Moyer, Senior VP/Programming; Michael du Monceau, Senior Exec./Prog.-Europe; Clark Bunting, Senior VP/Acquisitions & Development; Tim Cowling, Senior VP/Production; Judith McHale, Senior VP/General Counsel; Sandra McGovern, Senior VP/Affiliate Relations; Kathleen Clinton, Senior VP/Ad Sales; Valerie Grady, Director/Marketing; Shirley Davis, Director/Advertising Sales; Jan Craige, Director/On-Air Promotions; Eric McLamb, Director/Communications;
REGIONAL OFFICES: 8201 Corporate Dr., Ste. 1260, Landover, MD 20785 (301) 577-1999, Bill Goodwyn/Eastern Regional Director; 601 California St., Suite 1307, San Francisco, CA (415) 391-9300, Dawn McCall/Director.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 9am-3am
PROGRAM FORMAT: Nature, science and technology, history, human adventure and world exploration documentaries and series.
SATELLITE: Galaxy I/22
SUBSCRIBER INFORMATION:
Affiliates: 4,643
As of: 2/1/89
Subscribers: 37,627,000
ADVERTISING:
Local Advertising Available
2 minutes per hour
RATINGS:
Dec 87 vs Dec 88: .8 vs .8
RATING SOURCE: A.C. Nielsen

ESPN

(203) 585-2000

ESPN Plaza
Bristol, CT 06010
PARENT COMPANY:
Capital Cities/ABC Inc.
New York, NY 10019
PERSONNEL: Roger Werner, President/CEO; Steven Bornstein, Executive Vice President; Bill Ketcham, Sr. VP/Network Marketing; Roger Williams, Sr. VP/Affiliate Marketing; Rosa Gatti, Sr. VP/Communications; John Bonanni, Sr. VP/Advertising Sales; Andrew Brilliant, Sr. VP/Legal & Int'l. Affairs; Reginald Thomas, Sr. VP/Operations & Engineering; Robert Jeremiah, VP/Sales Administration; Michael Gannon, Executive Vice President; Keno Thomas, VP Sales/Western Division; Bill Horowitz, VP/National Advertising Sales;
REGIONAL OFFICES: Rocky Mountain: 5445 DTC Parkway, The Quadrant, Suite P8 Englewood, CO 80111 (303) 740-8940; Northeast and Southeast: ESPN Plaza, Bristol, CT 06010 (203) 585-2000; Midwest: 303 East Wacker Drive Suite 400 Chicago, IL 60601 (312) 938-4223; South Central and Western: 9665 Wilshire Blvd. Suite 800 Los Angeles, CA 90212 (213) 205-8900.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Professional, collegiate and amateur sports along with sports news and information. The schedule also includes a morning business news program.
SATELLITE: Galaxy I/8-Satcom IIIR
SUBSCRIBER INFORMATION:
Affiliates: 9,500
As of: 2/15/89
Subscribers: 50,132,000

EWTN-Eternal Word TV Network
(205) 956-9537

5817 Old Leeds Road
Birmingham, AL 35210
PERSONNEL: Mother Angelica, Chairman of the Board; Bill Steltemeier, President; Marynell Ford, Sr. VP/Marketing; Chris Harrington, Sr. VP/Operations & Production; Matt Scalici, Sr. VP/Engineering & Satellite; Dick Stephen, Sr. VP/Programming; Dee Park, Public Relations
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Religious programming and family entertainment.
SATELLITE: Galaxy III/10
SUBSCRIBER INFORMATION:
Affiliates: 490
As of: 12/01/88
Subscribers: 10,800,000

FNN
FINANCIAL NEWS NETWORK

FNN-Financial News Network
(212) 891-7300

320 Park Ave.
3rd Floor
New York, NY 10022
PARENT COMPANY:
Infotechnology, Inc.
New York, NY 10022
PERSONNEL: Earl Brian, Chairman; David Meister, President, FNN; Mike Wheeler, Executive VP/GM, FNN; Steve Bolen, CFO; Rick North, Senior VP/Sales; John Maloney, Vice President/Sales, Eastern Region; Tom Lucas, VP/Marketing;
REGIONAL OFFICES: 435 N. Michigan Ave., Chicago, IL (312) 670-0255, Larry Grossman/Regional VP
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 6am-12am (M-F)
PROGRAM FORMAT: Business & consumer information news.
SATELLITE: Satcom IIIR/11
SUBSCRIBER INFORMATION:
As of: 1/31/89
Subscribers: 32,000,000
ADVERTISING:
Local Advertising Available
10 nationals, 2 locals per hour
RATINGS:
.3 A.C. Nielsen

SCORE
a service of FNN

FNN: Score
(213) 670-1100

6701 Center Drive West
Los Angeles, CA 90045
PARENT COMPANY:
Infotechnology, Inc.
New York, NY 10022
PERSONNEL: Earl Brian, Chairman; David Meister, President; C. Steven Bolen, CFO; Arnie Rosenthal, Executive VP/GM; Dale Hopkins, VP/National Sales Director; Bennett Boyd, VP/Marketing; Rockey Flintermann, VP/Programming
REGIONAL OFFICES: George Monaster, FNN, 320 Park Ave., New York, NY 10022 (212) 758-9009; John Fagan, FNN, 435 N. Michigan Ave., Chicago, IL 60611 (312) 6722-0255.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 5pm-3am weekends (EST)
PROGRAM FORMAT: Sports event, talk and news service.
SATELLITE: Satcom IIIR/4
SUBSCRIBER INFORMATION:
Affiliates: 1,600
As of 2/1/89
Subscribers: 19,800,000
ADVERTISING:
Local Advertising Available
varies

Family Guide Network
(215) 887-7010

Suite A-1
Fox Pavillion
Jenkintown, PA 19046
PARENT COMPANY:
Video Shopping Mall, Inc.
Jenkintown, PA 19046
PERSONNEL: Morton Kushner, Executive VP/COO; Don DeCinque, Vice President; Harry Birnbohn, Vice President; Joe McKenzie, Sales Manager; Joanne Smukler, Vice President; Denise Magasich, Marketing/Media;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: varies by system
PROGRAM FORMAT: Direct-response on a variety of topics and products.
SATELLITE: Satcom IV/24
SUBSCRIBER INFORMATION:
Affiliates: 60
As of 2/1/89
Subscribers: 4,500,000
ADVERTISING:
Local Advertising Available
4 minutes per hour
none
up to 20% of sales

FamilyNet™

FamilyNet
(804) 845-4733

WATS(National) . . .(800) 8-FAMNET
1144 Monarch Plaza
3414 Peachtree Rd., NE
Atlanta, GA 30326
PARENT COMPANY:
Liberty Broadcasting Network
2220 Langhoune Plaza
Lynchburg, VA 24514
PERSONNEL: Dr. Jerry Nims, President; Richard Campbell, VP/Treasurer; Warren Marcus, Executive Producer; David Lewis, Director/Marketing; Lee Walters, VP/Treasurer; Jerry Whitehurst, Marketing Representative
REGIONAL OFFICES: 116 Mistywood Court, Kissimmee, FL 32743 (407) 348-8951, Lee Wlaters; 1144 Monarch Plaza, Ritz-Carlton Buckhead, 3414 Peachtree Road NE, Atlanta, GA 30326 (404) 264-9400, Dr. Jerry Nims.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Family entertainment and inspirational programming that features original shows, movies and college sports.
SATELLITE: Galaxy III/23
SUBSCRIBER INFORMATION:
Affiliates: 54
As of: 2/1/89
Subscribers: 1,200,000
Price/sub: $.03 per sub
ADVERTISING:
Local Advertising Available
4-12 minutes per hr.

Eco
(213) 286-0122

2121 Avenue of the Stars

Suite 2300
Los Angeles, CA 90067
PARENT COMPANY:
Univisa
Los Angeles, CA 90067
PERSONNEL: Starrett Berry, VP/General Manager; Eduardo Dominguez, Marketing Director; Daniel Huertas, Senior Dir./Affiliate Relations; John Pero, VP Sales;
REGIONAL OFFICES: Vera Gonzalez, 15851 N. Dallas Parkway, Suite 1015, Addison, TX 75248 (214) 980-7773; John Ruiz, 460 W. 42nd St., New York, NY 10036 (212) 502-1300.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Spanish-language news, sports and movies
SATELLITE: Galaxy I/20
SUBSCRIBER INFORMATION:
Affiliates: 300
As of: 01/01/89
Subscribers: 2,150,000
Price/sub: varies
ADVERTISING:
Local Advertising Available
2 minutes per hour

HEADLINE NEWS

Headline News
(404) 827-1500

One CNN Center
Atlanta, GA 30348
PARENT COMPANY:
Turner Broadcasting System Inc.
Atlanta, GA 30348
PERSONNEL: Ted Turner, CEO; Jon Petrovich, Executive VP; Farrell Reynolds, President/TBS Sales; Arthur Sando, VP/Marketing & Communications; Dave Williams, VP/Marketing; John Barbera, VP/TBS Sales; Turner Cable Network Sales: Terry McGuirk, President; Julia Sprunt, VP Corp. Communications; Robert Thalman, VP Marketing
REGIONAL OFFICES: 303 E. Wacker Drive, Chicago, IL 60601 (312) 565-1717; 1875 Century Park East, Suite 320, Los Angeles, CA 90067; 109 N. Goliad, Rockwell, TX 75087 (214) 226-4948; 600 REN-CEN, Suite 1920, Detroit, MI 48243 (313) 871-3245; 6 East 43rd Street, 8th Floor, New York, NY 10017, (212) 692-5970.
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: News arranged in 30-minute segments.
SATELLITE: Galaxy I/8
SUBSCRIBER INFORMATION:
Affiliates: 3,410
As of: 2/1/89
Subscribers: 34,911,000
Price/sub: free (with CNN)
ADVERTISING:
Local Advertising Available
2 minutes per hour
free (with CNN)

The Inspirational Network
(704) 542-6000

P.O. Box 240319
Charlotte, NC 28224
PARENT COMPANY:
Heritage Village Church & Missionary Fellowship
P.O. Box 240318
Charlotte, NC 28224
PERSONNEL: M.C. Benton, Trustee; Cardin Hesselton, General Manager; Lois Chalmers, Marketing Director; Monica Avants, Affiliate Business Manager
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Variety, talk, music, teaching, drama and live programming targeted to all age groups. Multi-denominational religious productions.
SATELLITE: Galaxy I/17
SUBSCRIBER INFORMATION:
Affiliates: 900
As of: 2/15/89
Subscribers: 9,500,000
Price/sub: No charge
ADVERTISING:
Local Advertising Available
12 hours/week

The Learning Channel
The smart choice on cable.

Learning Channel, The
(703) 276-0881

WATS(National) . . . .(800) 346-0032
1525 Wilson Blvd.
Rosslyn, VA 22209
PERSONNEL: Harold Morse, Chairman/CEO; Robert Shuman, President; Henry Schlenker, Senior VP/CFO; Robert Sestili, VP/Programming; John McLaurin, VP/Marketing; Patricia A. MacEwan, Affiliate Relations Manager; Jay Barchas, Marketing Dir./Western Region; Jaak Vikati, National Accounts Director; Edward Dooley, Corporate Comm. Director; Lee Lindbloom; Director of Networking Services
REGIONAL OFFICES: 535 16th St., Denver, CO 80202 (303) 592-1613, Ed Kaminski/Maro Casparian; 7 Woodland Ave., Larchmont, NY 10538 (914) 833-1320, Joanna Doster/RichardConlon.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Educational programming.
SATELLITE: Satcom IIIR/2
SUBSCRIBER INFORMATION:
Affiliates: 1,100
As of: 01/01/89
Subscribers: 15,000,000
Price/sub: none
ADVERTISING:
Local Advertising Available
On-air advertising: 4 min/hr.

LIFETIME
TELEVISION

Lifetime Television
(718) 482-4000

36-12 35th Ave.
Astoria, NY 11106
PARENT COMPANY:
Hearst/ABC-Viacom Entertainment
New York, NY 10036
PERSONNEL: Thomas Burchill, President/CEO; Seymour Kaplan, Senior VP/Affiliate Relations; Peter Brickman, VP/Production & Operations; Patricia Fili, Senior VP/Programming; Doug McCormick, Senior VP/Sales; Jane Tollinger, Senior VP/Business & Legal Aff.; Margaret Sandwick, Senior VP/Marketing & Communications; Barry Kresch, Senior VP/Research; Randi Subarsky, VP/Original Programming; Michael Capes, Director/Press Relations; Edward Keller, Director/Advertising; Meredith Wagner, Director/Public Affairs;
REGIONAL OFFICES: 10880 Wilshire Blvd., Suite 2010, Los Angeles, CA 90024 (213) 446-6600; 75 E. Wacker Dr., Suite 900, Chicago, Il 60601 (312) 782-5900; 444 Madison Ave., Suite

605, New York, NY 10022 (212) 832-8832; 12860 Hillcrest Road, Suite 229, Dallas, TX 75230 (214) 960-0271.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Contemporary entertainment and information programming of particular interest to women.
SATELLITE: Satcom IIIR/17 & Galaxy III/20
SUBSCRIBER INFORMATION:
Affiliates: 4,300
As of: 2/1/89
Subscribers: 41,728,000
ADVERTISING:
Local Advertising Available
2 minutes per hour
RATING SOURCE: A.C. Nielsen

MTV-Music Television
(212) 713-6400

1775 Broadway
11th Floor
New York, NY 10019
PARENT COMPANY:
Viacom International, Inc.
New York, NY 10036
PERSONNEL: Thomas Freston, President/CEO; Sara Levinson, Executive VP/New Business Dev.; Lee Masters, Executive VP/MTV; John Reardon, Executive VP Sales/MTV Networks; Robert Friedman, Sr. VP/Promotional Development-MTV; Doug Herzog, Senior VP/Programs & Development; Harriet Seitler, Executive VP/New Business Dev.; Douglas Greenlaw, Sr. VP/Advertising Sales; Marshall Cohen, Senior VP/Corporate Affairs & Communications; Judith McGrath, Senior VP/Creative Director; Abbey Konowitch, VP/Programming; Jack McLean, VP/Acquisitions; Howard Shimmel, VP/Advertising Sales Research; Russell Naiman, VP/Advertising Sales;
REGIONAL OFFICES: Eastern Region: 1133 Avenue of the Americas, 28th Floor, New York, NY 10036, (212) 944-4041, Hal Wolf; Southeastern Region: 1800 Century Blvd., Suite 280, Atlanta, GA 30345, (404) 320-6808, Kris Bagwell; Central Region: 303 E. Wacker Drive, Suite 428, Chicago, IL 60601, (312) 565-2300, Patti Brennan; Western Region: 10 Universal Plaza, 30th Floor, Universal City, CA 91608, (818) 505-7800, Roberta Koz.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Video music network targeted for the 12-34 year old audience.
SATELLITE: Galaxy III/17
SUBSCRIBER INFORMATION:
Affiliates: 5,220
As of: 2/1/89
Subscribers: 44,433,000
ADVERTISING:
Local Advertising Available
2 minutes per hour
RATING SOURCE: A.C. Nielsen

Mind Extension University
(303) 792-3111

WATS(National) . . .(800) 777-MIND
9697 E. Mineral Ave.
Englewood, CO 80112
PARENT COMPANY:
Jones International, Ltd.
Englewood, CO 80112
PERSONNEL: Glenn Jones, President/CEO; James Krejci, Group Vice President; Donald Sutton, Executive Director; Victor Harrison, General Manager/Programming; Heidi Byrne, Marketing Manager; Andrea Montoni, Group Vice President; Sharon Sall, Affiliate Relations Coord.;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: A basic service allowing subscribers to earn college credits from major universities through telecourses. Also, 12 hours a day of non-credit, educational programming.
SATELLITE: Galaxy 3/11
SUBSCRIBER INFORMATION:
Affiliates: 84
As of: 11/01/88
Subscribers: 2,300,000
Price/sub: none

Movietime
(213) 960-5800

PO Box 38934
Hollywood, CA 90038
PERSONNEL: Larry Namer, President/CEO; Brian Owens, Senior VP/Programming; Bill Zaccheo, Senior VP/Affiliate Sales; Bill Keenan, Senior VP/Finance; Mike Sobel, Senior VP/Advertising; Sheri Herman, Senior VP/Marketing; Chris Fager, VP/General Counsel; Richard Bencivengo, VP/Programming; Rick Portin, VP/Production; Marilyn Russell, VP/Eastern Affiliate Sales
REGIONAL OFFICES: 245 East 58th St., Suite 4-F, New York, NY 10022 (212) 223-1156, Mike Sobel.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Magazine format with previews of movies and television programs; interviews with actors, directors, writers, producers and show business celebrities; coverage of entertainment events as well as other entertainment feature segments.
SATELLITE: Satcom FIII/15
SUBSCRIBER INFORMATION:
Affiliates: 342
As of: 2/1/89
Subscribers: 11,500,000
ADVERTISING:
Local Advertising Available
2 minutes per hour

Nashville Network, The
(615) 889-6840

2806 Opryland Drive
Nashville, TN 37214
PARENT COMPANY:
Opryland USA Inc.
Nashville, TN 37214
PERSONNEL: E.W. Wendell, President/CEO-Opryland USA Inc.; Tom Griscom, Senior VP-Opryland USA Inc.; David Hall, VP/General Manager-TNN; Paul Corbin, Director/Programming-TNN; Danny Wendell, Operations Manager; Hugh Hickerson, Director/Engineering-TNN; Lloyd Werner, Senior VP/Sales & Marketing; Peter Weisbard, Senior VP-Opryland USA Inc.; Kathy Canavan, VP/Marketing;
REGIONAL OFFICES: Group W Satellite Communications, 250 Harbor Dr., Stamford, CT 06904 (203) 965-6000; Peter Weisbard, Group W Satellite Comm., 90 Park Ave., New York, NY 10016 (212) 557-6550; Walter Bodkin, Suite 420, 625 N. Michigan Ave., Chicago, IL 60611 (312) 454-7090; Bob Van Cleave, Suite 243, 25900 Greenfield Ave., Oak Park, MI 48237 (313) 968-1340; John Milne, Suite 1150, 6420 Wilshire Blvd., Los Angeles, CA 90048 (213) 655-1098.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 18 hours

PROGRAM FORMAT: Country lifestyle, music, sports and variety.
SATELLITE: Galaxy I/2
SUBSCRIBER INFORMATION:
Affiliates: 7,741
As of: 2/1/89
Subscribers: 43,211,000
Price/sub: $.15 per sub
ADVERTISING:
Local Advertising Available
10 minutes per hour
RATINGS:
24 Hours: .4.
Primetime: 1.0
7 am - 11 pm: .6
Dec 87 vs Dec 88: .5 vs .6
4th Quarter 87 vs 4th Quarter 88: 1.3 vs 1.1
RATING SOURCE: A.C. Nielsen

Network 1 USOA
(615) 822-3300

WATS(National) . . . .(800) 888-1872
719 Thompson Lane
100 Oaks Mall
Nashville, TN 37204
PERSONNEL: Hal Neely, President; Albert Gannaway, Chairman; Joe Corradetti, Director/Media; Chuck Koehler, Marketing Manager;
REGIONAL OFFICES: Los Angeles and Orlando.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 12 hours per day
PROGRAM FORMAT: Country music, gospel music and informational programming.
SATELLITE: Satcom III-R/23
SUBSCRIBER INFORMATION: N.A.
ADVERTISING:
Local Advertising Available
varies

Nickelodeon/Nick at Nite
(212) 713-6400

1775 Broadway
11th Floor
New York, NY 10019
PARENT COMPANY:
Viacom International, Inc.
New York, NY 10036
PERSONNEL: Thomas Freston, President/CEO; Geraldine Laybourne, Executive VP/General Manager; Sara Levinson, Executive VP/New Business Dev.; John Reardon, Executive VP Sales/MTV Networks; Douglas Greenlaw, Sr. VP/Advertising Sales; Richard Cronic, VP/Marketing; Howard Shimmel, VP/Advertising Sales Research; Russell Naiman, VP/Advertising Sales; Anne Sweeney, VP/Acquisitions; Linda Alexander Program Publicity Manager; Debby Beece, Senior VP/Programming
REGIONAL OFFICES: Eastern Region: 1133 Avenue of the Americas, 28th Floor, New York, NY 10036, (212) 944-4041, Hal Wolf; Southeastern Region: 1800 Century Blvd., Suite 280, Atlanta, GA 30345, (404) 320-6808, Kris Bagwell; Central Region: 303 E. Wacker Drive, Suite 428, Chicago, IL 60601, (312) 565-2300, Patti Brennan; Western Region: 10 Universal Plaza, 30th Floor, Universal City, CA 91608, (818) 505-7800, Roberta Koz.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Children's programming during the day; comedy/variety programs nightly.
SATELLITE: Galaxy III/19
SUBSCRIBER INFORMATION:
Affiliates: 6,485 (Nickelodeon)
3,395 (Nick At Nite)
As of: 2/1/89
Subscribers: 43,679,000 (Nickelodeon)
39,600,000 (Nick At Nite)
ADVERTISING:
Local Advertising Available
2 minutes per hour
RATING SOURCE: A.C. Nielsen

NOSTALGIA
45PLUS

Nostalgia Channel, The
(212) 463-7740

71 West 23rd St.
Suite 502
New York, NY 10010
PARENT COMPANY:
The Nostalgia Network, Inc.
New York, NY 10010
PERSONNEL: John Janas, President; Robert Jones, VP/Programming; Morgan Lambert Howe, Senior VP/Sales; Joseph Schramm, Director/Marketing; Norman Blashka, VP/Finance; Terry Freedman, Senior VP/Program Development & Business Affairs
REGIONAL OFFICES: National Sales Office: 75 James Way, Southampton, PA 28966, Morgan Lambert Howe, (215) 364-7550; Northeast Region: 71 W. 23rd St., New York, NY 10010, Nick Gentile, (212) 463-7740; Southeast Region: Capt. John Fripp Villas #108, Fripp Island, SC 29920, Terri Morse, (215) 364-7550; Central Region: 2050 Larkin Ave., Suite 203, Elgin, IL 60123, Paul Galka, (312) 697-5454; Western Region: 2144 Royal Lane, Suite 150, Dallas, TX 75229, Chip Harwood, (214) 243-8755; Pacific Region: 1311 El Camino Real, Suite 205, Millbrae, CA 94030, Lynn Hamilton, (415) 589-5246.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Entertainment and information targeted to viewers age 45 and up, includes original lifestyle programs on travel, hobbies and exercise plus, movies, Big Band videos, and, great moments in sports history.
SATELLITE: Satcom IV/21
SUBSCRIBER INFORMATION:
Affiliates: 325
As of: 2/1/89
Subscribers: 4,403,000
Price/sub: none
ADVERTISING:
Local Advertising Available
1 minute per hour
$.12 per sub/month
$.24 per sub/year

PREVUE
Guide SM

Prevue Guide
(918) 665-6690

WATS(National) . . . .(300) 331-4806
3801 South Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video, Inc.
Tulsa, OK 74145
PERSONNEL: Joe Batson, VP/General Manager; Virgle Smith, VP/Sales & Affiliate Relations; Chris Bourne, VP/Marketing & Operations; Joseph Rhees, Ad Sales Director; Mary Prodger, Director/Programming;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: System-specific program promotion, offering program listings of basic, pay and pay-per-view with video previews and promos. 'Prevue Tonight', a 2-minute umbrella

segment accenting upcomming events and programming during prime time.
SATELLITE: Satcom IV/8
SUBSCRIBER INFORMATION:
Affiliates: 332
As of: 12/31/89
Subscribers: 8,858,517
Price/sub: $.03 per sub
ADVERTISING:
Local Advertising Available
9 minutes per hour

RFD-TV
(402) 345-2322

WATS(National) . . . . (800) 633-0733
2615 Farnam St.
Omaha, NE 68131
PERSONNEL: Patrick Gottsch, Chairman; Ed Zachary, President; Sam Curley, Executive Vice President; Mark Widner, Director/Engineering; Jim Kanter, VP/Sales; Reed Emsick, VP/Marketing
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
SATELLITE: Spacenet I/23
SUBSCRIBER INFORMATION:
Affiliates: 30
As of: 2/1/89
Subscribers: 2,128,190
As of 2/8/89
ADVERTISING:
Local Advertising Available
14 minutes per hour

Silent Network
(213) 464-SIGN

6363 Sunset Blvd. Suite 930-B
Hollywood, CA 90028
PARENT COMPANY:
Silent Network, Inc.
Hollywood, CA 90028
PERSONNEL: Sheldon Altfeld, Chairman/CEO; Herbert Larson, President; Dawn Jeffory-Nelson, VP/Programming & Production; Suzan Hendershot, Director/Affiliate Relations; Mark Henke, Director/Captioning Services; William C. Tauber, VP/Marketing
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 9:30am-11:30am Saturdays
PROGRAM FORMAT: Information and education programming in sign language, full sound and open captions for deaf, hearing impaired and hearing audiences.
SATELLITE: Satcom F4/23
SUBSCRIBER INFORMATION:
Affiliates: 404
As of: 2/1/89
Subscribers: 12,303,000
Price/sub: none
ADVERTISING:
Local Advertising Available
1 minute per hour

SportsChannel America℠

SportsChannel America
(516) 364-2222

150 Crossways Park West
Woodbury, NY 11797
PARENT COMPANIES:
Cablevision Systems
Woodbury, NY 11797
NBC
30 Rockerfeller Plaza
New York, NY 10020
PERSONNEL: Thomas Chestnut, VP/General Manager; Jeff Ruhe, Senior VP/Executive Producer; Michael Lardner, VP/Programming; Peter Bartley, Director/Special Programming; Eric Lund, Director/Marketing; Dan Martinsen, Director/Public Relations; Maria Puglisi, Marketing Manager; Stan Berizzi, James Cofer, Tom Fennell, Affiliate Sales Staff
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Sports
SATELLITE: Satcom IV/2 & 10
SUBSCRIBER INFORMATION:
Affiliates: N.A.
As of: 2/1/89
Subscribers: 1,500,000*
ADVERTISING:
Local Advertising Available
2 minutes per hour
*Count represents standalone affiliates; SCA programming is also carried on Home Team Sports and the SportsChannel family of regional services.

SuperStation TBS
GREAT AMERICAN TELEVISION

SuperStation TBS
(404) 827-1700

1050 Techwood Drive
Atlanta, GA 30348
PARENT COMPANY:
Turner Broadcasting System Inc.
Atlanta, GA 30348
PERSONNEL: Ted Turner, CEO; Gerry Hogan, President; Bob Levi, Executive VP/General Manager; Farrell Reynolds, President/TBS Sales; Arthur Sando, VP/Marketing & Communicatioins; Don McGuire, VP/Sports; Terri Tingle, VP/Public Affairs; Jeff Grimshaw, VP/Promotions; Kevin O'Malley, VP/Sports Programming & Acquisitions; Turner Cable Network Sales: Terry McGuirk, President; Julia Sprunt, VP Corp. Communications; Robert Thalman, VP Marketing
REGIONAL OFFICES: 303 E. Wacker Drive, Chicago, IL 60601 (312) 565-1717; 1875 Century Park East, Suite 320, Los Angeles, CA 90067; 109 N. Goliad, Rockwell, TX 75087 (214) 226-4948; 600 REN-CEN, Suite 1920, Detroit, MI 48243 (313) 871-3245; 6 East 43rd Street, 8th Floor, New York, NY 10017, (212) 692-5970.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Family entertainment, sports and documentaries.
SATELLITE: Galaxy I/18
SUBSCRIBER INFORMATION:
Affiliates: 9,426
As of: 2/1/89
Subscribers: 47,943,000
Price/sub: $.10 per month

Travel Channel, The
(212) 692-3630

1370 Avenue of the Americas
New York, NY 10019
PARENT COMPANY:
Trans World Airlines, Inc.
100 S. Bedford Rd.
Mt. Kisco NY 10549

PERSONNEL: Bahir Browsh, President; Luann Simpson, VP/Finance; Doug Panetta, VP/Programming & Exec. Producer; David Murphy, VP/Marketing & Ad Sales; Alan Goldstein, Dir./Affil. Sales/Northeast; Michael Hanafee, Dir./Affil. Sales/West; Patricia McCaskill, Dir./Affil. Sales/Mid-Atlantic; Francie Leader, Dir./Affil. Sales/Southeast; Michelle Pickholz, Mgr./Ad Sales/Southeast; Adrian Bogart, Mgr./Ad Sales/Midwest; Ellen Adomdeo, Mrg./Ad Sales/Caribbean & Mex.; Jane Clement, Mgr./Ad Sales/West; Amy Weisman, Mgr./Programming & Mktg.;
REGIONAL OFFICES: Laura Cardello, 605 3rd Ave., New York, NY 10158 (212) 692-3673; Jane Clement, 1545 Wilshire Blvd., Suite 411, Los Angeles, CA 90017 (213) 413-7288.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Travel programming, including destination features, up-to-date business and leisure travel news.
SATELLITE: Satcom IIIR/16
SUBSCRIBER INFORMATION:
Affiliates: 400
As of: 2/1/89
Subscribers: 11,000,000
ADVERTISING:
Local Advertising Available
2 minutes per hour
% of booking fees.

Trinity Broadcasting Network
(303) 650-5515

9020 Yates St.
Westminster, CO 80030
PARENT COMPANY:
TBN
Santa Ana, CA 92711
PERSONNEL: Paul Crouch, President/CEO; Jack Hightower, National Marketing Director;
REGIONAL OFFICES: Gary Smith, 2823 W. Irving Blvd., Irving, TX 75061 (214) 313-1333; Diane Adcock, 1705 Main St., Gadsden, AL 35901 (205) 547-4143; Cam Thomson, PO Box 534, Fishkill, NY 12524 (914) 896-4610; Jim Fuller, 1909 S. 341st Place, Federal Way, WA 98003 (206) 927-7720; Holly Johnson, PO Box A, Santa Ana, CA 92711 (714) 665-2141.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Religious programming, including talk and variety shows, music, preaching, drama, videos, teaching, game shows, church services, health and exercise programs, and special seasonal features.
SATELLITE: Satcom III-R/3
SUBSCRIBER INFORMATION:
Affiliates: 725
As of: 01/01/89
Subscribers: 9,100,000

TURNER NETWORK TELEVISION

Turner Network Television
(404) 827-1700

1050 Techwood Drive
Atlanta, GA 30348
PARENT COMPANY:
Turner Broadcasting System Inc.
Atlanta, GA 30348
PERSONNEL: Ted Turner, CEO; Gerry Hogan, President; Scott Sassa, Executive VP; Farrell Reynolds, President/TBS Sales; Arthur Sando, VP/Marketing & Communications; William Merriam, Executive VP/Entertainment Net Operations; Linda Berman, VP/Program Development, Lee Hunt, VP/Creative Director; Neal Baseman, VP/Business Affairs; Nick Lombardo, VP/Production; Turner Cable Network Sales: Terry McGuirk, President; Julia Sprunt, VP Corp. Communications; Robert Thalman, VP Marketing
REGIONAL OFFICES: 303 E. Wacker Drive, Chicago, IL 60601 (312) 565-1717; 1875 Century Park East, Suite 320, Los Angeles, CA 90067; 109 N. Goliad, Rockwell, TX 75087 (214) 226-4948; 600 REN-CEN, Suite 1920, Detroit, MI 48243 (313) 871-3245; 6 East 43rd Street, 8th Floor, New York, NY 10017, (212) 692-5970.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Entertainment, with movies, original specials and children's series
SATELLITE: Satcom III/18
SUBSCRIBER INFORMATION:
Affiliates: 1,512
As of: 2/1/89
Subscribers: 23,000,000
Price/sub: $.15 per sub
ADVERTISING:
Local Advertising Available
4 minutes per hour
$.15 per sub

Univision
(212) 826-5200

767 5th Avenue
New York, NY 10153
PARENT COMPANY:
Univision Holdings Inc.
New York, NY 10017
PERSONNEL: Joaquin Blaya, President; Karen Anderson, VP/Marketing; Rosita Peru, VP/Programming; Emma Carrasco, VP/Communications; Susan Catapano, Affiliate Relations
REGIONAL OFFICES: One Magnificant Mile, Chicago, IL 60611-4501, (312) 944-2199, Brian Pussilano; 600 E. Los Colinas Blvd., Irvin, TX 75039, (214) 869-0202, Martin Dugan; 30700 Telegraph Road, Birmingham, MI 48010, (313) 540-5705, Howard Gladstone; 550 Biltmore Way, Coral Gables, FL 33134, (305) 444-0800, Barry Kandel; 601 Montgomery Street, San Fransisco, CA 94111, (415) 392-2006, Mario Carerra.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Spanish language programming.
SATELLITE: Galaxy I/6
SUBSCRIBER INFORMATION:
Affiliates: 400
As of: 01/01/89
Subscribers: 5,550,000
ADVERTISING:
Local Advertising Available
12 minutes per hour

USA Network
(212) 408-9100

1230 Avenue of the Americas
New York, NY 10020
PARENT COMPANY:
Paramount Pictures Corp./MCA
Los Angeles, CA
PERSONNEL: Kay Koplovitz, President/CEO; David Bender, VP/Research; Andrew Besch, VP/Marketing; Stephen Brenner, Senior VP/Business Affairs; Douglas Holloway, VP/Affiliate Relations; David Kenin, Senior VP/Programming; John Silvestri, Senior VP/Ad Sales; John Cronopulos, VP/Ad Sales, Marketing & Dev.; Ellen Kaye, VP/Research; Elena Szucs, Consumer Promotion Admin.;
REGIONAL OFFICES: Joe Orso, Time & Life Bldg., Chicago, IL 60611 (312) 644-5413; Steve Van Ophuijsen, 2000 Town Center, Suite 2460, Southfield, MI 40875 (313) 353-1200; Bruce Braun,

1900 Avenue of the Stars, Los Angeles, CA 90067 (213) 277-0199.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Original entertainment shows, professional and college sports, children's and young adult shows.
SATELLITE: Galaxy I/21-Satcom IIIR/10
SUBSCRIBER INFORMATION:
Affiliates: 10,100
As of: 01/04/89
Subscribers: 46,433,000
Price/sub: $.18 per sub
ADVERTISING:
Local Advertising Available
2 minutes per hour
RATINGS:
4th Quarter '88
24 Hours: 1.0
8-11: 2.0
RATINGS SOURCE: A.C. Nielsen

VH-1/Video Hits One
(212) 713-6400

1775 Broadway
11th Floor
New York, NY 10019
PARENT COMPANY:
Viacom International, Inc.
New York, NY 10036
PERSONNEL: Thomas Freston, President/CEO; Sara Levinson, Executive VP/New Business Dev.; Lee Masters, Executive VP/VH-1; John Reardon, Executive VP Sales/MTV Networks; Robert Friedman, Sr. VP/Promotion Development; Douglas Greenlaw, Executive VP/New Business Dev.; Jeffrey Rowe, VP/VH-1; Leslye Schaefer, VP Marketing/VH-1; Howard Shimmel, VP/Advertising Sales Research; Russell Naiman, VP/Advertising Sales; Jock McLean, VP/Acquisitions; Carole Robinson, Director, Program Publicity; Kristy Loveman, Publicist
REGIONAL OFFICES: Eastern Region: 1133 Avenue of the Americas, 28th Floor, New York, NY 10036, (212) 944-4041, Hal Wolf; Southeastern Region: 1800 Century Blvd., Suite 280, Atlanta, GA 30345, (404) 320-6808, Kris Bagwell; Central Region: 303 E. Wacker Drive, Suite 428, Chicago, IL 60601, (312) 565-2300, Patti Brennan; Western Region: 10 Universal Plaza, 30th Floor, Universal City, CA 91608, (818) 505-7800, Roberta Koz.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Video music network targeted for the 25-49 year old audience.
SATELLITE: Galaxy III/15, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 2,300
As of: 2/1/89
Subscribers: 30,000,000
ADVERTISING:
Local Advertising Available
2 minutes per hour
RATING SOURCE: A.C. Nielsen

Vision Interfaith Sat. Network
(212) 602-0738

74 Trinity Place
Suite 800
Naw York, NY 10006-2088
PARENT COMPANY:
Natl Interfaith Cable Coalition
New York, NY 10006-2088
PERSONNEL: Dr. Dan Matthews, Chairman; W[illegible]d V. Bane, CEO; Jeff Weber, VP/Programming; William Airy, Director/Affiliate Relations;
REGIONAL OFFICES: 8500 Menaul NE, Albuquerque, NM 87712 (505) 293-9225, William Airy.
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 11:30am-3am daily (EST)
PROGRAM FORMAT: Mainline interfaith, values-based and inspirational programming.
SATELLITE: Satcom IIIR/9
SUBSCRIBER INFORMATION:
Affiliates: 315
As of 2/1/89
Subscribers: 6,200,000
ADVERTISING:
Local Advertising Available

The Weather Channel
(404) 434-6800

2600 Cumberland Parkway
Atlanta, GA 30339
PARENT COMPANY:
Landmark Communications, Inc.
Norfolk, VA 23501
PERSONNEL: Michael Eckert, President; Stan Hunter, VP/Operations & Programming; Rebecca Ruthven, VP/Affiliate Sales; Alan Galumbeck, VP/Information Systems; Patrick Clark, VP/Finance & Admin.; Mike Lerner, VP/Marketing; Ed Peters, VP/Advertising Sales; Mimi Stamper, VP/Operations & Programming; Charlenne Carl, Media Director; Belinda Sym-Smith, Affiliate Marketing Manager; Kathleen Lane, Manager/Public Relations;
REGIONAL OFFICES: 780 Third Ave. 23rd Floor, New York, NY 10017; 435 N. Michigan Ave. 30th Floor, Chicago, IL 60611; 25689 Kelly Rd. Suite D, Roseville, MI 40866; 1925 Century Park East, Suite 830, Los Angeles, CA 90062.
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Local, regional, national and international weather information, with special documentaries scheduled to cover environmental and topical weather situations.
SATELLITE: Galaxy III/13
SUBSCRIBER INFORMATION:
Affiliates: 3,600
As of: 2/1/89
Subscribers: 37,101,000
ADVERTISING:
Local Advertising Available
2 minutes per hour
RATINGS:
24 Hours: 0.2
Primetime: 0.3
7 am - 11 pm: 0.3
Dec 87 vs Dec 88: 0.3 vs 0.2
4th Quarter 87 vs 4th Quarter 88: 0.2 vs 0.3
RATING SOURCE: A.C. Nielsen

WGN-United Video
(918) 665-6690

WATS(National) . . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
Tulsa, OK 74145
PERSONNEL: Roy Bliss, Executive VP; Jeff Treeman, Senior VP; Dave Wheaton, VP/Treasurer; Anne Wilkerson, General Manager/Video; Sandy Neuzil, Senior VP; Reuben Gant, Manager/Corporate Accounts; Leisha

Haworth, Director/Major Markets; John Hawkins, Manager/Advertising & Promo.; Ira Apt, Director/Marketing Operations;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Chicago superstation featuring movies, series Chicago Cubs baseball games, NCAA basketball/football, children's shows such as Bozo.
SATELLITE: Galaxy I/3
SUBSCRIBER INFORMATION:
Affiliates: 11,415
As of: 2/1/89
Subscribers: 24,900,000
Price/sub: $.10 per sub

WWOR-TV
(315) 455-5955

WATS(National) . . . .(800) 448-3322
112 Northern Concourse
Syracuse, NY 13221
PARENT COMPANY:
Eastern Microwave, Inc.
Syracuse, NY 13221
PERSONNEL: Art Perkins, GM/Executive VP; Dean Reeman, Executive Director; Gil Korta, National Marketing Director; Laurie Prouty-Silverman, National Sales Manager; Deborah Kaffka, Executive Director; Andrea Roy, Northeast Account Rep.; Lisa McCarthy, Southeast Account Rep.; Kathleen McCall, Western Account Rep.;
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: New York Mets, Knicks and Rangers. Variety: Cosby Show, Kate & Allie, The Morton Downey, Jr. Show, news and movies.
SATELLITE: Galaxy I/15
SUBSCRIBER INFORMATION:
Affiliates: 2,600
As of: 01/01/89
Subscribers: 12,500,000
Price/sub: $.01 per sub

WPIX-United Video
(918) 665-6690

WATS(National) . . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
Tulsa, OK 74145
PERSONNEL: Roy Bliss, Executive VP; Jeff Treeman, Senior VP; Dave Wheaton, VP/Treasurer; Anne Wilkerson, General Manager/Video; Reuben Gant, Senior VP; Sandy Neuzil, Sales Manager/Video; Leisha Haworth, Director/Major Markets; John Hawkins, Manager/Advertising & Promo.; Ira Apt, Director/Marketing Operations;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: New York superstation offering Sports, including New York Yankees baseball, pro and NCAA football, movies, suspense/comedy series, and children's shows.
SATELLITE: Spacenet III/15
SUBSCRIBER INFORMATION:
Affiliates: 858
As of: 11/01/88
Subscribers: 9,700,000
Price/sub: $.10 per sub

Regional Entertainment

A.I.B Cable Network, The
(404) 892-0454

1580 Peachtree St.
Atlanta, GA 30309
PARENT COMPANY:
Atlanta Interfaith Broadcasters
Atlanta, GA 30309
PERSONNEL: John Allen, President; O'Lynn Allen, Vice President; John Conant, Chairman of the Board; Alexander Smith, Vice Chairman; Rachel Leftwich, Treasurer; Wade Millican, Secretary;
TYPE OF SERVICE:
Regional Entertainment/Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Locally produced programming from the religious, educational and non-profit sector.
SUBSCRIBER INFORMATION:
Affiliates: 7
As of: 11/01/88
Subscribers: 180,000
ADVERTISING:
Local Advertising Available
1 minute per hour

CTN-Cable TV Network of NJ
(609) 392-4360

128 W State St.
Trenton, NJ 08608
PERSONNEL: William Scott, President; James Debold, Executive Director; Kathleen Layton, Sales Manager; Theresa Dennison, Promotion Manager;
TYPE OF SERVICE:
Regional Entertainment/Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Daytime programming is community service, which includes educational, health and human services, cultural, religious and politics. Evening programming is commercial supported and broad-based.
SUBSCRIBER INFORMATION:
Affiliates: 34
As of: 12/22/88
Subscribers: 1,400,000
ADVERTISING:
Local Advertising Available
6 minutes per hour

Catholic TV Network-Bay Area
(415) 326-7850

324 Middlefield Rd.
Menlo Park, CA 94025
PERSONNEL: Brian Coyne, Shirley Connolly, Program Directors
TYPE OF SERVICE:
Regional Entertainment/Basic
PROGRAM HOURS: 8am-10pm daily
PROGRAM FORMAT: Produce and transmit educational programming for classroom use in grades K-12, for teacher and administator 'in-service' and to meet adult education needs.

SUBSCRIBER INFORMATION:
Affiliates: 200
As of: 01/01/89
Subscribers: 38,000

Classified Channel
(408) 452-3388

1302-A North Fourth St.
San Jose, CA 95112
PARENT COMPANY:
Heritage Communications
Des Moines, IA 50312
PERSONNEL: J.R. Brown, General Manager; Neil Cannon, Senior Account Executive; Laura Worth, Assistant Manager;
TYPE OF SERVICE:
Regional Entertainment/Text
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Classified commercials in fifteen minute segments, which include real estate, general retail, automotive, employment and local scheduled theatre attractions.
SUBSCRIBER INFORMATION:
Affiliates: N.A.
As of: 12/28/88
Subscribers: 192,500
ADVERTISING:
Local Advertising Available

ETC/Ecumenical TV Channel
(216) 533-2243

PO Box 430
Canfield, OH 44406
PARENT COMPANY:
Ecumenical Telecomm. Coalition
Canfield, OH 44406
PERSONNEL: Rev. James Korda, President/ETC; Mitch Stanley, General Manager/CTNY; Peter Molnar, Executive Producer; Dominic Calabro, Videographer/Editor; Patricia Good, Office Manager;
TYPE OF SERVICE:
Regional Entertainment/Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Religious/interfaith programming.
SUBSCRIBER INFORMATION:
Affiliates: 9
As of: 2/1/89
Subscribers: 170,000

KTLA-United Video
(918) 665-6690

WATS(National) . . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video
Tulsa, OK 74145
PERSONNEL: Roy Bliss, Executive VP; Jeff Treeman, Senior VP; Dave Wheaton, VP/Treasurer; Anne Wilkerson, General Manager/Video; Reuben Gant, Senior VP; Sandy Neuzil, Sales Manager/Video; Leisha Haworth, Director/Major Markets; John Hawkins, Manager/Advertising & Promo.; Ira Apt, Director/Marketing Operations;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Los Angeles superstation with over 40 hours of movies each week, along with a variety of series, kid's shows and specials. Coverage of California Angels baseball, as well as the NBA's Los Angeles Clippers.
SATELLITE: Spacenet III/8, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 182
As of: 11/01/88
Subscribers: 4,900,000
Price/sub: $.10 per sub

KTVT-United Video
(918) 665-6690

WATS(National) . . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
Tulsa, OK 74145
PERSONNEL: Roy Bliss, Executive VP; Jeff Treeman, Senior VP; Dave Wheaton, VP/Treasurer; Anne Wilkerson, General Manager/Video; Reuben Gant, Senior VP; Sandy Neuzil, Sales Manager/Video; Leisha Haworth, Director/Major Markets; John Hawkins, Manager/Advertising & Promo.; Ira Apt, Director/Marketing Operations;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours daily
PROGRAM FORMAT: Dallas/Ft. Worth-based superstation with kid's shows, comedy and hit series, movies, and live coverage of Texas Rangers baseball, Dallas Mavericks professional basketball, and several NCAA Bowl games are also included.
SATELLITE: Spacenet III/3,
SUBSCRIBER INFORMATION:
Affiliates: 417
As of: 11/01/88
Subscribers: 3,600,000
Price/sub: $.10 per sub

Life Newsvision
(312) 579-4210

2601 S. Harlem
Berwyn, IL 60402
PARENT COMPANY:
Life Printing and Publishing
Berwyn, IL 60402
PERSONNEL: Dick Stern, General Manager;
TYPE OF SERVICE:
Regional Information/Text
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Character-generated news and information.
SUBSCRIBER INFORMATION:
Affiliates: 4
As of: 01/01/89
Subscribers: 650,000
Price/sub: none
ADVERTISING:
Local Advertising Available
20 sec. spots avail.

News 12 Long Island
(516) 496-1766

One Media Crossways
Woodbury, NY 11797
PARENT COMPANY:
Cablevision Systems
Woodbury, NY 11797
NBC
30 Rockerfeller Plaza
New York, NY 10020
PERSONNEL: Al Ittleson, President; John Hillis, General Manager; Norman Fein, Sr. Executive Producer; Glenn Fishkin, Sr. Executive Producer; Hardie Mintzer, Assignment Manager; Patrick Young, Director Marketing/Promotions; Robert Fennimore, President, Rainbow Ad Sales Corp.; Phil DeCabia, VP/Rainbow Ad Sales Co.; Rusty McCormack, VP/Rainbow Ad Sales Co.;
REGIONAL OFFICES: Rainbow Advertising Sales Co. Woodbury, NY (516) 364-3640; R. McCormack, P. DeCabia-New York, NY (212) 889-3380.
TYPE OF SERVICE:
Regional Information/Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Regional news.
SUBSCRIBER INFORMATION:
Affiliates: 4
As of: 10/01/88
Subscribers: 594,000
ADVERTISING:
Local Advertising Available
4 minutes per hour

Nippon Golden Network, Inc.
(808) 538-1966

567 S. King St.
Suite 110
Honolulu, HI 96813
PERSONNEL: Dennis M. Ogawa, President;
TYPE OF SERVICE:
Pay
PROGRAM HOURS: 35 hours per week/6pm-11pm
PROGRAM FORMAT: Japanese language pay service
SUBSCRIBER INFORMATION:
Affiliates: 6
As of: 11/01/88
Subscribers: 13,600
ADVERTISING:
Local Advertising Available
2 minutes per hour

Pennerama
(814) 863-0023

210 Wagner Building
University Park, PA 16802
PARENT COMPANY:
WPSX-TV/Penn State Television
University Park, PA 16802
PERSONNEL: Marlowe Froke, General Manager; John Grant, Manager; Kathleen Pavelko, Director/Programming & Prod.; Mary Frances Adams, Promotion Specialist; Deirdre Hines, Manager;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Courses for college credit and informal learning.
SUBSCRIBER INFORMATION:
Affiliates: 28
As of: 12/01/88
Subscribers: 750,000

PSN

PRIME SPORTS NETWORK

Prime Sports Network
(303) 355-7777

250 Steele St.
Suite 300
Denver, CO 80206
PARENT COMPANY:
Daniels & Assoc.
Denver, CO 80209
PERSONNEL: Ed Frazier, President; Matt Tinley, Sr. Vice President; Robert Thompson, VP/General Manager; Gretchen Bunn, Director/Advertising Sales; Chris Bryan, Sr. Vice president
TYPE OF SERVICE:
Regional Sports/Basic
PROGRAM HOURS: 5pm-1am(M-F) 11am-1am(S-S)
PROGRAM FORMAT: Sporting events, live interviews and features.
SUBSCRIBER INFORMATION:
Affiliates: N.A.
As of: 2/1/89
Subscribers: 250,000
SATELLITE: Satcom IR/24
ADVERTISING:
Local Advertising Available

Prism
(215) 668-2210

225 City Line Ave.
Bala Cynwyd, PA 19004
PARENT COMPANY:
Cablevision Systems Corp.
Woodbury, NY 11797
PERSONNEL: Donald Heller, VP/General Manager; Sam Schroeder, VP/Assistant General Manager; Lynn Lonker, Director/Programming; Jim Barniak, Sports Director; Robert Ayres, Production Manager; Tom Ferraro, Director/Marketing; Ellen Weinberg, VP/Assistant General Manager; Harold Gronenthal, Mgr./PR & Promotional Services; Joany D'Agostino, Promotions Manager;
REGIONAL OFFICES: 780 Third Ave. 23rd Floor, New York, NY 10017; 435 N. Michigan Ave. 30th Floor, Chicago, IL 60611; 25689 Kelly Rd. Suite D, Roseville, MI 40866; 1925 Century Park East, Suite 830, Los Angeles, CA 90062.
TYPE OF SERVICE:
Regional Entertainment/Sports/Pay
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Theatrical films and sports, including 39 Phillies games, 30 Flyers games, 41 76ers games, Wings Lacrosse, WWF Wrestling, Big 5 Basketball (college), 'PRISM Sports' and Nightly Sports Update Desk.
SUBSCRIBER INFORMATION:
Affiliates: 87
As of: 12/01/88
Subscribers: 430,000
ADVERTISING:
Local Advertising Available
varies per event

Uptown
(212) 304-3000

5120 Broadway
New York, NY 10034
PARENT COMPANY:
Paragon Cable Manhattan
New York, NY 10034
PERSONNEL: Debra Wells, Manager/Pay Programming; Drew Emerson, Film Acquisition Specialist;
TYPE OF SERVICE:
Pay
PROGRAM HOURS: 8pm-2am daily
PROGRAM FORMAT: Art House movie channel featuring American, Independent and foreign films and classics.
SUBSCRIBER INFORMATION:
Affiliates: 1
As of: 2/1/89
Subscribers: 16,000

Z Channel
(213) 453-1985

1545 26th St.
Santa Monica, CA 90404
PERSONNEL: Joe Cohen, CEO; Jack Williams, President; Dick H. Odson, VP/Finance; Michael Roberge, Director/Administration; John Figueroa, VP/Sales & Marketing;
TYPE OF SERVICE:
Regional Entertainment/Sports/Pay
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Sports service: 35 Dodger games, 35 Angels games, 28 Clippers games, boxing events, and movies.
SUBSCRIBER INFORMATION:
Affiliates: 73
As of: 2/1/89
Subscribers: 110,010

Regional Sports

Arizona Sports Prog. Network
(602) 866-0072

17602 N. Black Canyon Highway
PO Box 37827
Phoenix, AZ 85023
PARENT COMPANY:
Times Mirror
Irvine, CA
PERSONNEL: Mark Stucky, President/GM; Ivan Johnson, VP/Public Affairs; Curt Robinson, VP/Marketing; George Allen, Sports Coordinator; Suzee Smith-Everhard, Program Director; Steve Rizley, Director/Ad Sales;
TYPE OF SERVICE:
Regional Sports/Basic
PROGRAM HOURS: 5pm-1am(M-F) 9am-1am(S-S)
PROGRAM FORMAT:
SUBSCRIBER INFORMATION:
Affiliates: N.A.
As of: 2/1/89
Subscribers: 210,000
ADVERTISING:
Local Advertising Available
varies per event

GiantsVision
(415) 468-1453

Candlestick Park
San Fransisco, CA 94124
PARENT COMPANY:
San Francisco Giants
San Francisco, CA 94124
PERSONNEL: Corey Busch, Executive VP/Producer; Eva Bustos, Director/Business Operations; Pam Mays, Affiliate Relations Manager; Michelle Cooper, Director/Business Operations;
TYPE OF SERVICE:
Regional Sports/Pay
PROGRAM HOURS: 3-4 hours/36 days a year
PROGRAM FORMAT: San Francisco Giants baseball home games.
SATELLITE: Westar V/21
SUBSCRIBER INFORMATION:
Affiliates: 62
As of: 12/15/88
Subscribers: N.A.
Price/sub: varies
ADVERTISING:
Local Advertising Available

HOME SPORTS ENTERTAINMENT

Home Sports Entertainment
(214) 988-9292

2080 North State Highway 360
Dallas, TX 75050
PARENT COMPANY:
Houston Sports Association
Houston, TX 77001
PERSONNEL: Ed Frazier, President; Dick Barron, Executive VP; Joe King, VP/General Manager; Jack Stanfield, VP/Programming; John McIntyre, Director/Operations & Eng.; Jay Finegold, VP/Marketing; Joe Gagliardi, Executive VP; Cindy Harrington, Marketing Manager; Sherry Adams, National Advertising Manager;
REGIONAL OFFICES: 5251 Gulfton, Houston, TX 77081 (713) 661-0078, Joe Gagliardi.
TYPE OF SERVICE:
Regional Sports/Pay
PROGRAM HOURS: 4pm-2am(M-F) 11am-2am(S-S)
PROGRAM FORMAT: Sports, including Houston Rockets, Dallas Mavericks, and San Antonio Spurs basketball, Houston Astros/Texas Rangers baseball and Southwest Conference football.
SATELLITE: Satcom IR/10
SUBSCRIBER INFORMATION:
Affiliates: 250
As of: 12/31/88
Subscribers: 1,000,000
ADVERTISING:
Local Advertising Available
1 minute per hour

Home Team Sports
(202) 728-5300

1111 18th St. NW
Suite 200
Washington, DC 20036
PARENT COMPANY:
Group W Satellite Comm.
Stamford, CT 06904-2210
PERSONNEL: Bill Aber, VP/General Manager; Jody Shapiro, Exec. Producer/Dir. Programming; David Zahra, Controller; Jeff Wagner, Director/Marketing & Sales; Michael Ortman, Affiliate Relations Director; Joe King, Chief Engineer; Darrell Landrum, Asst. Dir./Programming & Op.; Bob Bradley, Marketing Coordinator; Joe Felperin, Advertising Manager; Paul Woodland, Exec. Producer/Dir. Programming; Bob Storin, Promotions Coordinator; Mark Feldman, Sr. Marketing Manager; Mike Krasney, Ad Sales Manager; Jon Cherney, Ad Sales Manager; Greg Myford, Account Executive;
REGIONAL OFFICES: GWSC: 90 Park Ave., New York, NY (212) 557-6550, Greg Regis, Ned Goddard.
TYPE OF SERVICE:
Regional Sports/Pay
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Sports, including Orioles baseball, Capitals hockey, Bulletts basketball, and college events.
SATELLITE: Satcom IV/22
SUBSCRIBER INFORMATION:
Affiliates: 125
As of: 12/01/88
Subscribers: 1,200,000
ADVERTISING:
Local Advertising Available
2 minutes per event

KBL Entertainment Network
(412) 922-9610

294 W. Stueben St.
Pittsburg, PA 15205
PERSONNEL: Patti Ralutz, Program Coordinator; Gil Lucas, Sports & Program Director;
TYPE OF SERVICE:
Regional Sports/Basic
PROGRAM HOURS: vary
PROGRAM FORMAT: Regional sports network featuring Pittsburgh Pirates baseball, Penguins hockey and local college basketball.
SUBSCRIBER INFORMATION:
Affiliates: 13
As of: 01/01/89
Subscribers: 1,200,000

Madison Square Garden Network
(212) 563-8000

Two Pennsylvania Plaza
New York, NY 10121

PARENT COMPANY:
Gulf & Western
New York, NY
PERSONNEL: Robert Gutkowski, Executive VP/MSG Comm.; Sid Amira, VP/Affiliate Affairs; Lee Berke, VP/MArketing; Martin Brooks, VP/Programming & Network Op.; Douglas Moss, VP/Advertising Sales; Peter Silverman, VP/Executive Producer; Paul Schneider, Director/Public Relations; Ron Speck, General Sales Manager; Jane DiBlasio, Marketing Communications Manager
TYPE OF SERVICE:
Regional Sports/Basic
PROGRAM HOURS: 7pm-1am (extended weekends)
PROGRAM FORMAT: Regional sports and MSG related entertainment; Knicks basketball, Rangers hockey, Yankees baseball, College basketball, football and baseball, horse racing, special events (i.e., Westminster Kennel Club Dog Show and Panasonic Millrose Games); plus regional interest shows.
SATELLITE: Satcom IV/6
SUBSCRIBER INFORMATION:
Affiliates: 112
As of: 2/1/89
Subscribers: 2,300,000
ADVERTISING:
Local Advertising Available

Meadows Racing Network
(412) 563-1224

PO Box 499
Meadow Lands, PA 15347
PARENT COMPANY:
Washington Trotting Assn. Inc.
Meadow Lands, PA 15347
PERSONNEL: John Swiatek, Vice President; Paul Wytker, Marketing Manager; Roger Huston, MRN Show Host; Randy Edmonds, Call-A-Bet Director; Robert Sabot, Publicity Director;
TYPE OF SERVICE:
Regional Sports/Basic
PROGRAM HOURS: 7pm-11:00pm daily
PROGRAM FORMAT: Live racing in which viewers can bet from home.
SATELLITE: Telstar 303/2V
SUBSCRIBER INFORMATION:
Affiliates: 12
As of 2/1/89
Subscribers: 550,000
ADVERTISING:
Local Advertising Available
4 minutes per hour

NESN-New England Sports Network
(617) 536-9233

70 Brookline Ave.
Fenway Park
Boston, MA 02215
PARENT COMPANY:
WSBK-TV/Gillett Comm. Inc.
Boston, MA 02215
PERSONNEL: John Claiborne III, VP/General Manager; Robert Whitelaw, Director/Operations; Donald Reilly, Director/Business Affairs; Jerry McAuliffe, Director/Advertising Sales; Sean McGrail, Director/Marketing; John Slattery, Director/Advertising & Promo; John O'Leary, Jr., Account Executive; Christopher Swan, Director/Operations; David Daniels, Affiliate Representative; Peter Plaehn, Advertising & PR Coordinator;
TYPE OF SERVICE:
Regional Sports/Pay
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Sports, including over 90 Boston Red Sox games, 40 Boston Bruins games plus Stanley Cup playoffs; Hockey East including playoffs; Boston's annual Beanpot Hockey Tournament; Boston College Football; Big East basketball; New England college basketball, football, soccer and lacrosse; WWF wrestling from Boston Garden; boxing, baseball from around the American and National Leagues; tennis; auto racing; candlepin bowling; scuba diving; professional indoor lacrosse and more.
SATELLITE: Satcom IV/13
SUBSCRIBER INFORMATION:
Affiliates: 171
As of: 01/01/89
Subscribers: 317,201
ADVERTISING:
Local Advertising Available
3 minutes per event

Niagara Frontier Sports Network
(716) 856-7300

WATS(National) . . .(800) 333-PUCK
Memorial Auditorium
140 Main St.
Buffalo, NY 14202
PARENT COMPANY:
Niagara Frontier Hockey L.P.
Buffalo, NY 14202
PERSONNEL: Paul Wieland, Executive Producer; Don Angelo, Sales Manager;
REGIONAL OFFICES: NFSN 699 Hertel Ave., Buffalo, NY 14202
TYPE OF SERVICE:
Regional Sports/Basic
PROGRAM HOURS: Limited to event
PROGRAM FORMAT: Live coverage of NHL Hockey and college sports.
SUBSCRIBER INFORMATION:
Affiliates: 13
As of: 11/21/88
Subscribers: 800,000
ADVERTISING:
Local Advertising Available
RATING SOURCE: Arbitron (per event)

Northwest Cable Sports Network
(206) 462-2620

1215 114th Ave. SE
Bellevue, WA 98004
PARENT COMPANY:
TCI/Viacom
Bellevue, WA 98004
TYPE OF SERVICE:
Regional Sports
PROGRAM HOURS: 4:30pm-12am daily
PROGRAM FORMAT: College and professional sports.
SATELLITE: Westar V/11
SUBSCRIBER INFORMATION:
Affiliates: 3
As of: 01/04/89
Subscribers: 700,000
ADVERTISING:
Local Advertising Available
2 minutes per hour

PASS-Pro Am Sports System
(313) 930-7277

24 Frank Lloyd Wright Drive
Ann Arbor, MI 48106
PARENT COMPANY:
Domino's Pizza
Ann Arbor, MI 48105
PERSONNEL: Bill Wischman, General Manager; Bill Glenn, Program Director/Exec. Producer; Bill Moren, Marketing/Affil. Relations Dir.; Kathi Hunt, Business Manager;
TYPE OF SERVICE:
Regional Sports/Pay
PROGRAM HOURS: 6pm-12am(M-F) weekends vary
PROGRAM FORMAT: Detroit Tigers, Detroit Pistons, Detroit Red Wings; University of Michigan and Michigan State basketball and hockey. Harness

and thoroughbredhorse racing, professional boxing, tennis, etc.
SATELLITE: Spacenet III/11
SUBSCRIBER INFORMATION:
Affiliates: 173
As of: 10/01/88
Subscribers: 523,000

Prime Ticket Network
(213) 672-8000

401 S. Prairie Ave.
Suite 104
Inglewood, CA 90301
PERSONNEL: John Severino, President/CEO; Tony Acone, Assistant to the Chairman; Don Corsini, VP/Programming Production; Brent Imai, Executive Producer; Lori Gutknecht, Director/Communications; Kathryn Gregoryk, Controller; Mike Kincaid, VP/Sales; Tim Krass, Marketing Manager; Bob Billeci, VP/Engineering
TYPE OF SERVICE:
Regional Sports/Basic
PROGRAM HOURS: 5pm-12am
PROGRAM FORMAT: Regional sports.
SATELLITE: Satcom 4/20
SUBSCRIBER INFORMATION:
Affiliates: 94
As of: 2/1/89
Subscribers: 3,300,000
ADVERTISING:
Local Advertising Available
2 minutes per hour

San Diego Cable Sports Network
(619) 263-9251

5159 Federal Blvd.
San Diego, CA 92105
PARENT COMPANY:
Cox Cable Comm.
San Diego, CA 92105
PERSONNEL: Marty Youngman, Pay-Per-View Manager;
TYPE OF SERVICE:
Regional Sports/PPV
PROGRAM FORMAT: 41 San Diego Padres home baseball games and San Diego State University sports.
SUBSCRIBER INFORMATION:
Affiliates: 6
As of: 2/1/89
ADVERTISING:
Local Advertising Available
varies per event

SportsChannel Florida
(407) 994-0250

2295 Corporate Blvd. NW
Boca Raton, FL 33062
PARENT COMPANY:
Cablevision Systems
Woodbury, NY 11797
NBC
30 Rockerfeller Plaza
New York, NY 10020
PARENT COMPANY:
Cablevision Systems
Woodbury, Y 11797
NBC
30 Rockerfeller Plaza
New York, NY 10020
PERSONNEL: Jeffrey Genrhner, General Manager; William Thomas, Director/Broadcasting & Prog.; Harlan Singer, Production Manager; Rod Mickler, Director/Marketing & Sales; Donna Jean, Director/Broadcasting & Prog.; Susan Montague, Affiliate Marketing Coord.;
TYPE OF SERVICE:
Regional Sports/Pay
PROGRAM HOURS: 5pm-1am(M-F)
12pm-1am(S-S)
PROGRAM FORMAT: Regional and national sports.
SATELLITE: Satcom IV/14
SUBSCRIBER INFORMATION:
Affiliates: 20
As of: 12/01/88
Subscribers: 450,000

SportsChannel New England
(617) 933-9300

10 Tower Office Park
Suite 600
Woburn, MA 01801
PARENT COMPANY:
Cablevision Systems
Woodbury, NY 11797
NBC
30 Rockerfeller Plaza
New York, NY 10020
PERSONNEL: Mitchell Freund, VP/General Manager; Stevan Reagan, Director/Operations; William Powell, Director/Affil. Mktg. & Sales; Patrice Driscoll-Stigliano, Director/Operations; Jeffrey Landis, Public Relations Manager; Paul Freehauf, Product Manager;
TYPE OF SERVICE:
Regional Sports/Pay
PROGRAM HOURS: 6pm-2am(M-F)
1pm-2am(S-S)
PROGRAM FORMAT: Sports, including Boston Celtics home games and playoffs, 55 games/playoffs of the Hartford Whalers, college basketball, baseball, football and hockey, thoroughbred horse racing.
SATELLITE: Satcom IV/23
SUBSCRIBER INFORMATION:
Affiliates: 154
As of: 2/1/89
Subscribers: 1,028,431
ADVERTISING:
Local Advertising Available
varies per event

SportsChannel℠

SportsChannel New York
(516) 364-2222

150 Crossways Park West
Woodbury, NY 11797
PARENT COMPANY:
Cablevision Systems
Woodbury, NY 11797
NBC
30 Rockerfeller Plaza
New York, NY 10020
PERSONNEL: Bob Pollichino, VP/General Manager; Jerry Passaro, Director/Programming; Rich Kahn, Director/Marketing & PR; Bob Fennimore, Ad Sales
TYPE OF SERVICE:
Regional Sports/Pay
PROGRAM HOURS: 6:30pm-1am daily
PROGRAM FORMAT: Sports, including coverage of the New York Mets, New York Islanders, New Jersey Devils and New Jersey Nets.
SATELLITE: Satcom IV/12
SUBSCRIBER INFORMATION:
Affiliates: 100
As of: 01/01/89
Subscribers: 1,300,000
ADVERTISING:
Local Advertising Available
varies per event

St. Louis Cardinals Cable Net.
(314) 576-4446

14522 S. Outer 40 Road
Suite 300
Chesterfield, MO 63017
PARENT COMPANY:
Cencom Cable Assoc. Inc.
Chesterfield, MO 63017
PERSONNEL: John Clark, Jr., VP/Marketing & Programming; Tim Morrison, Manager/Marketing Development;

TYPE OF SERVICE:
Regional Sports/PPV & Pay
PROGRAM HOURS: varies with each event
PROGRAM FORMAT: 50 baseball games. Each live telecast immediately followed by complete taped replay. Programming available in both season package format or individual games on a pay-per-view basis.
SUBSCRIBER INFORMATION:
Affiliates: 6
As of: 12/01/88
Subscribers: 10,200
ADVERTISING:
Local Advertising Available

SUNSHINE NETWORK

Sunshine Network
(407) 774-0070

2170 State Road
Suite 424
Longwood, FL 32779
PARENT COMPANY:
Home Sports Entertainment
Houston, TX 77081
PERSONNEL: Dave Almstead, General Manager; Cheri Jacobs-Lewis, Director/Ad Sales; Thom Hastings, Senior Producer; Steve Hull, Director/Public Affairs; Charles Salzer, Sports Info. Director; Cathy Dolph, Mktg./Affiliate Relations Mgr.;
REGIONAL OFFICES: Florida State Sports Office: 1706-D Capital Circle NE, Tallahassee, FL 32308 (904) 658-8000; Public Affairs Office: 433 N. Magnolia Drive, Tallahassee, FL 32306 (904) 878-0237.
TYPE OF SERVICE:
Regional Entertainment/Sports/Basic
PROGRAM HOURS: 5pm-1am(M-F) 12pm-1am(S-S)
PROGRAM FORMAT: Regional sports and public affairs; sports features 100 major league baseball games of the Minnesota Twins, Baltimore Orioles, Texas Rangers, and Houston Astros. Programming also includes approximately 75 college football games, 41 college baseball games and 110 college basketball games featuring Florida State, Stetson, and Florida A & M.
SATELLITE: Satcom IR/11,
SUBSCRIBER INFORMATION:
Affiliates: 200
As of: 01/01/89
Subscribers: 2,310,000
ADVERTISING:
Local Advertising Available

Sportsvision
(312) 524-9444

820 W. Madison
Oak Park, IL 60302
PARENT COMPANY:
Cablevision Systems
Woodbury, NY 11797
NBC
30 Rockerfeller Plaza
New York, NY 10020
PERSONNEL: James Corno, VP/General Manager; John Tuohey, Dir./Programming & Operations; Cindy Stanley, Director/Business Operations; Julie Johnson, Sales & Marketing Manager; Kelly Sullivan, Dir./Programming & Operations; Greg Harris, Affiliate Sales Manager;
REGIONAL OFFICES: Rainbow Advertising Sales Co. 260 Madison, 14th Floor, New York, NY 10016, (212) 889-3380, Phil DeCabia.
TYPE OF SERVICE:
Regional Sports/Basic
PROGRAM HOURS: 5pm-12am(M-F) 8am-12pm(S-S)
PROGRAM FORMAT: Sports, featuring the Chicago Bulls, Blackhawks and White Sox as well as college sports.
SATELLITE: Satcom IV/9
SUBSCRIBER INFORMATION:
Affiliates: 50
As of: 2/1/89
Subscribers: 1,507,270
ADVERTISING:
Local Advertising Available
varies per event

TSC-The Sports Channel
(512) 224-2067

600 E. Market
San Antonio, TX 78205
PARENT COMPANY:
Sports Channel, Inc.
San Antonio, TX 78205
PERSONNEL: Gary Woods, President; Lawrence Payne, Vice President;
TYPE OF SERVICE:
Pay
PROGRAM HOURS: 6pm-1am(M-F) 12pm-1am(S-S)
PROGRAM FORMAT: Sports, featurings: San Antonio Spurs basketball Houston Astros and Texas Rangers baseball and college sports.
SUBSCRIBER INFORMATION:
Affiliates: N.A.
As of: 2/1/89
Subscribers: N.A.
ADVERTISING:
Local Advertising Available
12 minutes per hour

Non-Satellite Fed Services

Cable Video Entertainment, Inc.
(201) 941-6700

The Cableview Building
Edgewater, NJ 07020
PARENT COMPANY:
Winmar Enterprises, Inc.
Edgewater, NJ 07020
PERSONNEL: Irwin Cohen, Chairman; Richard Sullivan, President; Chris Monaco, VP/Production; Deidre Nelson, Director/Advertising; Mark Rubin, Sandy Messinger, Affiliate Sales and Public Relations;
TYPE OF SERVICE:
Non-Satellite Fed National
PROGRAM HOURS: varies
PROGRAM FORMAT: Half hour monthly cable promotion show: '*Curtain Going Up*.' Thirty second tune-in spots and sixty second radio spots.
SUBSCRIBER INFORMATION:
Affiliates: 200
As of: 12/01/88
Subscribers: 1,500,000
ADVERTISING:
Local Advertising Available
4 minutes per hour

Vector Consumer Shopping Guide
(213) 452-6134

1930 14th St.
Santa Monica, CA 90404
PERSONNEL: Russell Smith, President/CEO; William Berger, CFO; Gloria Senior, Director/Marketing;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Alphanumeric consumer shopping with 100 food & non-food items.
SUBSCRIBER INFORMATION:
Affiliates: 6
As of: 01/03/89
Subscribers: 300,000

Pay Programming

American Exxxtasy
(212) 696-1221

WATS(National) . . . .(800) 824-2454
419 Park Ave. South
Suite 400
New York, NY 10016
PARENT COMPANY:
Home Dish Satellite Networks
New York, NY 10016
PERSONNEL: Paul Klein, President; Jeffrey J. Younger, Executive VP; Robert Kramer, CFO; Gibi Brown, VP/Sales & Affiliate Relations; Collete Connor, VP/Adv. & Promotion; John Amero, Executive VP; Michael Kashmer, Dir./Affiliate Sales;
TYPE OF SERVICE:
Pay
PROGRAM HOURS: 7pm-6am (EST)
PROGRAM FORMAT: Adult movies and entertainment.
SATELLITE: Spacenet I/18
SUBSCRIBER INFORMATION:
Affiliates: 100
As of: 01/16/89
Subscribers: 28,000

Cinemax
(212) 512-1000

1100 Avenue of the Americas
New York, NY 10036
PARENT COMPANY:
Time Inc.
New York, NY 10020
PERSONNEL: Michael Fuchs, Chairman/CEO; Thayer Bigelow, President; Jeff Bewkes, CFO; Dan Levinson, VP/Advertising; John Billock, Senior VP/Advertising; Barbara Jaffe, VP/Sales, Promo & Development; Dave Baldwin, VP/Program Planning; Peter Frame, Executive VP/Affil. Sales & Op.; Kathleen Brancato, Promotion Manager
REGIONAL OFFICES: Lennox Bldg. 3399 Peachtree Road NE, Atlanta, GA 30326 (404) 239-6600; 6250 N. River Road, Suite 10-300, Rosemont, IL 60018 (312) 318-5100; 12750 Merit Drive, Suite 1200, Dallas, TX 75251 (214) 450-1000; The Quadrant, 5445 DTC Parkway, Suite 700, Englewood, CO 80111 (303) 220-2900; 6363 NW 6th Way, Suite 410, Ft. Lauderdale, FL 33309 (305) 491-0411; 9401 Indian Creek Parkway, Suite 850, Overland Park, KS 66210 (913) 451-5100; 2049 Century Park East, Suite 4100, Los Angeles, CA 90067 (213) 201-9200; Studio: 120A E. 23rd St. New York, NY 10010, (212) 512-7800; Communications Center: 300 New Highway, Hauppage, NY 11788, (516) 361-8200; One Bala Cynwyd Plaza, Suite 440, 231 St. Asaphs Road, Bala Cynwyd, PA 19004 (215) 668-6500; Two Embarcadero Center, Suite 840, San Francisco, CA 94111 (415) 765-7700.
TYPE OF SERVICE:
Pay
PROGRAM HOURS: 24 hours daily
PROGRAM FORMAT: Movies, original music and comedy specials, entertainment documentaries.
SATELLITE: Satcom IIIR/23 & Galaxy 1/19
SUBSCRIBER INFORMATION:
Affiliates: 4,400
As of: 2/1/89
Subscribers: 6,000,000

The Disney Channel
America's Family Network™

Disney Channel, The
(818) 569-7500

3800 W. Alameda Ave.
Burbank, CA 91505
PARENT COMPANY:
The Walt Disney Company
Burbank, CA 91521
PERSONNEL: John Cooke, President; Stephen Fields, Sr. VP/Original Programming; Peggy Christianson, VP/Creative Affairs; Patrick Davidson, Vice President; Paulo De Oliveira, VP/Program Development; Bruce Rider, VP/Programming; Frederick Kuperberg, VP/Business & Legal Affairs; Mark Handler, VP/Sales & Affiliate Marketing; Charles Nooney, VP/Affiliate Operations; Winifred Wechsler, VP/New Business Development; Edwin Lanti, VP/Production
TYPE OF SERVICE:
Pay
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Family entertainment: original films, specials and series, as well as classic Hollywood motion pictures.
SATELLITE: Galaxy I/4 & 24
SUBSCRIBER INFORMATION:
Affiliates: 5,000
As of: 2/1/89
Subscribers: 4,000,000

HBO-Home Box Office
(212) 512-1000

1100 Avenue of the Americas
New York, NY 10036
PARENT COMPANY:
Time Inc.
New York, NY 10020
PERSONNEL: Michael Fuchs, Chairman/CEO; Thayer Bigelow, President; Jeff Bewkes, CFO; Seth Abraham, Senior VP/Programming

Operations & Sports; Bridget Potter, Senior VP/Original Programming; Leslie Jacobsen, Senior VP/Business Affairs & Administration; Dan Levinson, VP/Advertising; John Billock, Senior VP/Marketing; Barbara Jaffe, VP/Sales, Promo & Development; Peter Frame, Executive VP/Affil. Sales & Op.;
REGIONAL OFFICES: Lennox Bldg. 3399 Peachtree Road NE, Atlanta, GA 30326 (404) 239-6600; 6250 N. River Road, Suite 10-300, Rosemont, IL 60018 (312) 318-5100; 12750 Merit Drive, Suite 1200, Dallas, TX 75251 (214) 450-1000; The Quadrant, 5445 DTC Parkway, Suite 700, Englewood, CO 80111 (303) 220-2900; 6363 NW 6th Way, Suite 410, Ft. Lauderdale, FL 33309 (305) 491-0411; 9401 Indian Creek Parkway, Suite 850, Overland Park, KS 66210 (913) 451-5100; 2049 Century Park East, Suite 4100, Los Angeles, CA 90067 (213) 201-9200; Studio: 120A E. 23rd St. New York, NY 10010, (212) 512-7800; Communications Center: 300 New Highway, Hauppage, NY 11788, (516) 361-8200; One Bala Cynwyd Plaza, Suite 440, 231 St. Asaphs Road, Bala Cynwyd, PA 19004 (215) 668-6500; Two Embarcadero Center, Suite 840, San Francisco, CA 94111 (415) 765-7700.
TYPE OF SERVICE:
Pay
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Motion pictures, new entertainment specials, including music, comedy, original drama, documentary and series programming; sports, special events, and family programs.
SATELLITE: Satcom IIIR/13 & Galaxy I/23, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 7,500
As of: 2/1/89
Subscribers: 17,000,000

Movie Channel, The
(212) 708-1645

1633 Broadway
New York, NY 10019
PARENT COMPANY:
Showtime Networks Inc.
New York, NY 10019
PERSONNEL: Winston 'Tony' Cox, Chairman/CEO; Ron Bernard, President/Viacom Networks Group; Jack Heim, Exec. VP/Sales & Affil. Mktg.; Fred Schneier, Exec. VP/Programming; Nora Ryan, Senior VP/Marketing; Matt Blank, Exec. VP/Marketing; Rick Howe, Senior VP/Affiliate Mktg.; Stu Ginsburg, VP/Press & Public Relations; Harry Bernstein, VP/Film Acquisition
REGIONAL OFFICES: New York, Los Angeles, Houston, Chicago, Atlanta, Denver, San Francisco, Cincinnati, Garden City NY, Portland OR, Ft. Lauderdale FL and Kansas City MO.
TYPE OF SERVICE:
Pay
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: All-movie cable network.
SATELLITE: Galaxy I/10
SUBSCRIBER INFORMATION:
Affiliates: 3,250
As of: 2/1/89
Subscribers: 2,700,000

Playboy Channel, The
(213) 659-4080

8560 Sunset Blvd.
Los Angeles, CA 90069
PARENT COMPANY:
Playboy Enterprises Inc.
Chicago, IL 60611
PERSONNEL: Christie Hefner, Chairman/CEO; Richard Sowa, President/Playboy Video Entertainment Group; Que Spaulding, President/Playboy Prog. Dist.; Mike Hale, VP/Marketing & Product Dev.; Michael Fleming, VP/Sales & Affiliate Relations; Allan Schwartz, Executive VP/Playboy Programs; Andrew Trentacosta, Director/Film Acquisitions; Bill Farley, Regional Dir./Corporate Comm.; Mary Beth Callahan, Manager, Corporate Marketing; Emily Wollman, Manager/Creative Services; Jeff Ophime, Manager/Marketing Fulfillment;
REGIONAL OFFICES: Western Region: Michael Feinner/Regional Vice President, 8650 Sunset Blvd., Los Angeles, CA 90060, (213) 659-4080; Central Region: Brian Quirk/Regional Vice President, 919 N. Michigan Ave., Chicago, IL 60611, (312) 751-8000; Eastern Region: Jack Matthews/Regional Vice President, 1400 Lake Hearn Drive, Suite 325, Atlanta, GA 30319, (404) 843-5780.
TYPE OF SERVICE:
Pay
PROGRAM HOURS: 8pm-6am daily (EST)
PROGRAM FORMAT: Adult-oriented programming, including original series, specials and specially-selected 'R' movies.
SATELLITE: Satcom IV/24
SUBSCRIBER INFORMATION:
Affiliates: 550
As of: 12/05/88
Subscribers: 470,000

Showtime
(212) 708-1552

1633 Broadway
New York, NY 10019
PARENT COMPANY:
Showtime Networks Inc.
New York, NY 10019
PERSONNEL: Winston 'Tony' Cox, Chairman/CEO; Ron Bernard, President/Viacom Networks Group; Jack Heim, Exec. VP/Sales & Affil. Mktg.; Fred Schneier, Exec. VP/Programming; Steve Hewitt, Senior VP/Original Programming; Rick Howe, Senior VP/Affiliate Marketing; Gary Keeper, Senior VP/Original Programs; Ann Foley Plunkett, Senior VP/Creative Services; Nora Ryan, Senior VP/Marketing; Jim Miller, Senior VP/Program Acquisitions & Planning; Matt Blank, Exec. VP/Marketing; Rick Howe, Senior VP/Affiliate Mktg.; Stu Ginsburg, VP/Press & Public Relations;
REGIONAL OFFICES: New York, Los Angeles, Dallas, Houston, Chicago, Atlanta, Denver, Cincinnati, San Francisco, Garden City NY, Portland OR, Ft. Lauderdale FL, and Kansas City MO.
TYPE OF SERVICE:
Pay
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Movies, comedy series and specials, concerts, Broadway plays, original movies and mini-series, championship boxing, and family programs.
SATELLITE: Galaxy I/5
SUBSCRIBER INFORMATION:
Affiliates: 6,000
As of: 2/1/89
Subscribers: 6,600,000

Audio Services

Bible Broadcasting Network
(804) 547-9421

PO Box 1818
Chesapeake, VA 23320
PARENT COMPANY:
Bible Broadcasting Network
Chesapeake, VA 23320
PERSONNEL: Lowell Davey, President; Leo Galletta, Network Operations Manage; Keith Wohlenhaus, Business Manager; Harold Richards, Satellite Operations Manager; Ken Sparks, Station Operations Manager;
TYPE OF SERVICE:
Audio
PROGRAM HOURS: 24 hours daily
PROGRAM FORMAT: Christian music, Bible teaching programs and BBN News.
SATELLITE: Westar IV/10
SUBSCRIBER INFORMATION:
Affiliates: 44
As of: 12/05/88
Subscribers: N.A.
Price/sub: none

Cable Radio Network
(818) 352-7152

WATS(National) . . . .(800) 336-2225
10487 Sunland Blvd.
Sunland, CA 91040
PERSONNEL: Michael Horn, President; Melody Kishimoto, Business Manager; Robert Lane, Production Director; Susan Watters, Affiliate Relations;
TYPE OF SERVICE:
Audio
PROGRAM HOURS: 24 hours
SATELLITE: Satcom III R/II
SUBSCRIBER INFORMATION:
Affiliates: 56
As of: 11/01/88
Subscribers: 1,800,387
ADVERTISING:
Local Advertising Available
6 minutes per hour

Galactic Radio
(303) 792-3111

WATS(National) . . . .(800) 525-7002
9697 E. Mineral Ave.
Englewood, CO 80112
PARENT COMPANY:
Jones International, Ltd.
Englewood, CO 80112
PERSONNEL: Glenn Jones, CEO; James Krejci, President; Jeffrey Hansen, General Manager; Steve Grenzow, Manager/Operations & Prog.; Sharon Sall, Affiliate Relations Coord.; Chery Grund, President; Cindy Eichner, Western Territory Rep.;
TYPE OF SERVICE:
Audio
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Six stereo formats: New Age/Jazz, Light 'n Lively Rock, Soft Sounds, America's Country Favorites, Your Hot Rock Connection and Classical Collections. Four News/Talk/Sports/Business radio superstations. KOA(Denver), KSJN (Minneapolis), WCCO (Minneapolis), KDZR (Denver). Also In-Touch Network, a radio reading service for the visually-impaired.
SATELLITE: Galaxy III/11
SUBSCRIBER INFORMATION:
Affiliates: 78
As of: 03/01/89
Subscribers: 1,350,000
Price/sub: varies by format
ADVERTISING:
Local Advertising Available
2 minutes per hour

Greek Radio Network of America
(215) 565-9510

60 Old State Road
Media, PA 19063
PERSONNEL: Harry P. Pappas, President/CEO; Ken Alderfer, Director/Operations; Nakis Yannopoulos, Director/Engineering; Kostas Vasilakis, Director/Programming;
TYPE OF SERVICE:
Audio
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Greek language/English programs including news reports, live soccer matches from Greece, as well as cultural, religious and educational.
SATELLITE: Galaxy I/15
SUBSCRIBER INFORMATION:
Affiliates: N.A.
As of: 2/1/89
Subscribers: N.A.

KKGO-United Video
(918) 665-6690

WATS(National) . . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
Tulsa, OK Roy74145
PERSONNEL: Roy Bliss Executive VP, Jeff; Treeman Senior VP, Dave; Wheaton VP/TreasurerAnne Wilkerson, General Manager/Video; Reuben Gant, Dave; Sandy Neuzil, Sales Manager/Video; Leisha Haworth, Director/Major Markets; Ira Apt, Director/Marketing Operations;
TYPE OF SERVICE:
Audio
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Jazz sounds from the Big Bands of the 40's to progressive fusion originating from Los Angeles.
SATELLITE: Spacenet III/8
SUBSCRIBER INFORMATION:
Affiliates: 22
As of: 11/01/88
Subscribers: 242,000

Moody Broadcasting Network
(312) 329-4433

WATS(National) . . . .(800) 621-7031
820 North LaSalle Dr.
Chicago, IL 60610
PARENT COMPANY:
Moody Bible Institute
Chicago, IL 60610
PERSONNEL: Robert Neff, VP/Broadcasting; Wayne Shepherd, Manager/Programming; Doug Hastings, Dir/Production & Operations; Bob West, Dir/Network Development; David Woodworth, Manager/Programming; Becky Horne, Representative; Dan Deal, Representative;
TYPE OF SERVICE:
Audio
PROGRAM HOURS: 168 hours per week
PROGRAM FORMAT: Educational programming, two-way talk, teaching, drama, news, public affairs and middle-of-the-road Christian music.
SATELLITE: Spacenet IIIR/13

SUBSCRIBER INFORMATION:
Affiliates: 63
As of: 2/1/89
Subscribers: 1,058,368
Price/sub: none

Satellite Radio Network
(713) 446-1180

WATS(National) . . . .(800) 438-6311
121 W. First St.
Humble, TX 77338
TYPE OF SERVICE:
Audio Services
PROGRAM HOURS: 24 hours daily
PROGRAM FORMAT: Religious programming talk, music, teaching programs.
SATELLITE: Galaxy I/17
SUBSCRIBER INFORMATION:
Affiliates: 237
As of: 2/1/89
SUBSCRIBER INFORMATION:
483,000

Seeburg/AEI Music Network
(919) 851-5823

WATS(National) . . . .(800) 334-1561
5706 New Chapel Hill Road
Raleigh, NC 27607
PARENT COMPANY:
AEI Music Network
Seattle, WA 98122
PERSONNEL: Michael Malone, President/CEO; Geoff Meagher, Executive Vice President; Barry Horn, Executive Vice President; Bonnie Sullivan, CATV Manager;
TYPE OF SERVICE:
Audio
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: LIFESTYLE: Contemporary instrumental. INTERIORS: Original artist instrumental. STARTRACKS: All time pop hits of the 60's, 70's, and 80's by original artists. DEBUT: Top 40, Hot 100 and new releases by original artists.
SATELLITE: Galaxy I/3
SUBSCRIBER INFORMATION:
Affiliates: 178
As of: 11/01/88
Subscribers: 400,000
Price/sub: $.01 per sub

Tempo Sound
(918) 496-3200

PO Box 702160
Tulsa, OK 7417036
PARENT COMPANY:
Tempo Enterprises, Inc.
Tulsa, OK 74170
PERSONNEL: Edward Taylor, Chairman; Selman Kremer, Executive Vice President; Barry Brune, President; Sharon Ferguson Metz, Director/Tempo Sound; Teresa Russell-Warren, Executive Vice President; Betsy Smith, Sales Manager/Rocky Mountain;
TYPE OF SERVICE:
Audio
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Album-Oriented Rock: Adult Contemporary, Big Bands, Country & Western, Easy Listening, 50s, 60s & 70s, In-Touch.
SATELLITE: SatcomIIIR/6
SUBSCRIBER INFORMATION:
Affiliates: 125
As of: 2/1/89
Subscribers: 1,250,000
Price/sub: $.03 per sub

WFMT-United Video
(918) 665-6690

WATS(National) . . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
Tulsa, OK 74145
PERSONNEL: Roy Bliss, Executive VP; Jeff Treeman, Senior VP; Dave Wheaton, VP/Treasurer; Anne Wilkerson, General Manager/Video; Sandy Neuzil, Senior VP; Reuben Gant, Manager/Corporate Accounts; Leisha Haworth, Director/Major Markets; John Hawkins, Manager/Advertising & Promo.; Ira Apt, Director/Marketing Operations;
TYPE OF SERVICE:
Audio
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Fine arts, classical FM music live from Chicago.
SATELLITE: Galaxy I/1
SUBSCRIBER INFORMATION:
Affiliates: 170
As of: 2/1/89
Subscribers: 1,425,000

Shopping Networks

America's Shopping Channel
(619) 258-1060

1919A Friendship Dr.
El Cajon, CA 92020
PERSONNEL: Roy Berlin, President; Richard Berlin, VP/Operations; Frances Berlin, Senior VP/Merchandise; Alan VP/MerchandiseEllen Kaplan, Director/Marketing;
TYPE OF SERVICE:
Shopping
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Stand alone video retailer. Each market includes its own studio, warehouse and pick-up stores.
SUBSCRIBER INFORMATION:
Affiliates: 5
As of: 11/01/88
Subscribers: 1,000,000

CVN™
THE SHOPPING CHANNEL

CVN-Cable Value Network
(612) 559-8000

WATS(National) . . . .(800) 422-2454
1405 N. Xenium Lane North
Plymouth, MN 554417
PARENT COMPANY:
CVN Companies, Inc.
Plymouth, MN 55441
PERSONNEL: Ted Deikel, CEO; William Kelley, President/COO; Grant Oppegaard, Executive VP/Operations; George Walters, Executive VP/Mail Order; Roger Cloutier, Chief Financial Officer; Mitchell Joelson, Senior VP/CVN; Greg Lerman, Senior VP/Merchandising; Barry Norton, VP/CVN Marketing; Glenn Leidahl, President/COO; Dave Gundersen, Director/CVN Adv. & Promo.; Frank Keenan, Director/CVN Programming; William Harris, Director/CVN TV On-Air Merch.; Dean Hahn-Carlson,

Director/CVN TV Marketing; John Haynes, Director/CVN TV On-Air Oper.;
REGIONAL OFFICES: 5655 S. Yosemite, Suite 105, Englewood, CO 80111 (303) 770-7740, Chuck Price.
TYPE OF SERVICE:
Shopping
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Special shows-Sunrise Edition, Monday through Friday: High Tech Toys and Electronics, Fine Jewelry Collection.
SATELLITE: Galaxy III/9
SUBSCRIBER INFORMATION:
Affiliates: 1,850
As of: 2/1/89
Subscribers: 21,000,000
Price/sub: none

FNN:TelShop
(212) 891-7444

320 Park Ave.
New York, NY 10022
PARENT COMPANY:
Financial News Network
Los Angeles, CA 90045
PERSONNEL: John Berentson, Executive VP/General Manager; Anthony Kawas, VP/Operations; William Kisselman, VP/Merchandise; Robert Regan, VP/Executive Producer;
TYPE OF SERVICE:
Shopping
PROGRAM HOURS: 12am-6:30pm(M-F) 3am-5pm(S-S)
PROGRAM FORMAT: Video merchandising. Produced from Los Angeles.
SATELLITE: Satcom IIIR/11-Satcom IV/6
SUBSCRIBER INFORMATION:
Affiliates: 1,350
As of: 2/1/89
Subscribers: 14,800,000

Fashion Channel, The
(612) 559-8000

1405 Xenium Lane North
Minneapolis, MN 55441
PARENT COMPANY:
CVN Companies, Inc.
Minneapolis, MN 55441
PERSONNEL: Glenn Leidahl, VP/Affiliate Relations; Susan Stauffer, Vice President;
TYPE OF SERVICE:
Shopping
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Specialty shopping devoted to apparel and accessories for men, women and children, with additional features of fashion merchandise for the home and selected fashion jewelry.
SATELLITE: Satcom IIIR/1
SUBSCRIBER INFORMATION:
Affiliates: 604
As of: 01/17/89
Subscribers: 9,900,000

HSN
HOME SHOPPING NETWORK

HSN1-Home Shopping Network 1
(813) 572-8585

PO Box 9090
Clearwater, FL 34618-9090
PARENT COMPANY:
Home Shopping Network, Inc.
St. Petersburg, FL 33716
PERSONNEL: Roy M. Speer, Chairman/CEO; Lowell W. Paxson, President; Les Wandler, CFO; Bill Doten, Senior VP/Marketing; Frank Strangis, VP/Cable Marketing; Wendy Sikora, Cable Marketing Director; Cynthia Sparo, Cable Markting Manager; Scott B. Campbell, VP/Affiliate Relations;
TYPE OF SERVICE:
Shopping
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Electronic discount retailer that broadcasts live, nationwide, 24 hours a day, from Tampa,Fla.
SATELLITE: Galaxy III/8
SUBSCRIBER INFORMATION:
Affiliates: 1,413
As of: 2/1/89
Subscribers: 16,074,191

HSN2-Home Shopping Network 2
(813) 572-8585

PO Box 9090
Clearwater, FL 34618-9090
PARENT COMPANY:
Home Shopping Network, Inc.
St. Petersburg, FL 33716
PERSONNEL: Roy M. Speer, Chairman/CEO; Lowell W. Paxson, President; Les Wandler, CFO; Bill Doler, Senior VP/Marketing; Frank Strangis, VP/Cable Marketing; Scott B. Campbell, VP/Affiliate Relations; Wendy Sikora, Cable Marketing Director; Cynthia Spano, Cable Marketing Manager
TYPE OF SERVICE:
Shopping
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Electronic retailer that broadcasts live, nationwide, 24 hours a day, from Tampa, Fla.
SATELLITE: Satcom IIIR/22
SUBSCRIBER INFORMATION:
Affiliates: 322
As of: 2/1/89
Subscribers: 6,000,000

QVC NETWORK

QVC Network
(215) 430-1000

Goshen Corporate Park
West Chester, PA 19380
PERSONNEL: Joseph Segel, Chairman/CEO; Michael Boyd, Senior Executive VP/COO; Bruce Sellers, Executive VP/Affiliate Rel.; Douglas S. Briggs, Executive VP/Sales; Kenneth C. Eich, Executive VP/CFO; Ronald Giles, Executive VP/Broadcasting; Keith Halford, Executive VP/New Business Dev.; George Nice, Director/Marketing Services;
TYPE OF SERVICE:
Shopping
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Segmented video shopping plus extensive viewer games and sweepstakes.
SATELLITE: Satcom IIIR/8
SUBSCRIBER INFORMATION:
Affiliates: 1,050
As of: 2/1/89
Subscribers: 13,700,000

STN

Shop Television Network
(213) 871-8380

5842 Sunset Blvd.
Hollywood, CA 90028

PARENT COMPANY:
STN/JC Penney Co.
Hollywood, CA 90028
PERSONNEL: Michael Rosen, President/CEO; John Cotter, CFO; Joseph Naughton, Executive VP/COO; Gary Smith, Executive Producer; Rene Aiu, VP/Marketing; Sue Cantor, Advertising Manager;
REGIONAL OFFICES: Jackie Bradley, STN, 501 Archdale Drive, Suite 127, Charlotte, NC 28217 (704) 525-1551.
TYPE OF SERVICE:
Shopping
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: 30 minute themed programming, i.e., apparel, jewelry, cooking, electronics and household appliances. Hosted by Pat Boone, Juliet Prowse and celebrity experts.
SATELLITE: Satcom IIIR/5
SUBSCRIBER INFORMATION:
Affiliates: 250
As of: 01/01/89
Subscribers: 5,100,000

Pay-Per-View Networks

Cable Video Store
(215) 674-4800

WATS(National) . . . .(800) 523-6678
2200 Byberry Rd.
Hatboro, PA 19040
PARENT COMPANY:
General Instrument/Jerrold Div.
Hatboro, PA 19040
PERSONNEL: Hal Krisbergh, President; Susan Greene, VP/General Manager; Ken Nimmer, VP/Programming; Jeremy Rosenberg, Director/Operations; Bonnie Bratby, Mgr./Advertising & Promotions; Barry Pressman, VP/General Manager; Dale Lister, Mgr./Affiliate Relations-N & E; Jan Ratts, Mgr./Affiliate Relations-South; Donna Stone, Mgr./Affiliate Relations-West; Dana Ainsworth, Mgr./Programming;
REGIONAL OFFICES: Western Regional Office: 7100 E. Belleview, Suite 101, Englewood, CO 80111 (303)740-6118, Donna Stone; Southern Regional Office: 703 Summer Woods, Maulden, SC (803) 297-9588, Jan Ratts.
PROGRAM HOURS: 24 hours daily
PROGRAM FORMAT: 30-40 titles offered monthly. Top hits, pluschildren's favorites, lifestyle videos and 'how-to' specials. Special events such as wrestling and boxing are also offered
SATELLITE: Galaxy III/5
SUBSCRIBER INFORMATION:
Affiliates: 82
As of: 2/1/89
Subscribers: 1,000,000
Price/sub: varies

Playboy On Demand
(213) 659-4080

8560 Sunset Blvd.
Los Angeles, CA 90069
PARENT COMPANY:
Playboy Enterprises Inc.
Chicago, IL 60611
PERSONNEL: Que Spaulding, President/Playboy Prog. Dist.; Michael Fleming, Vice President;
REGIONAL OFFICES: Western Region: Michael Feinner/Regional Vice President, 8650 Sunset Blvd., Los Angeles, CA 90060, (213) 659-4080; Central Region: Brian Quirk/Regional Vice President, 919 N. Michigan Ave., Chicago, IL 60611, (312) 751-8000; Eastern Region: Jack Matthews/Regional Vice President, 1400 Lake Hearn Drive, Suite 325, Atlanta, GA 30319, (404) 843-5780.
PROGRAM HOURS: 8pm-4am daily
PROGRAM FORMAT: Playboy Channel programming on a pay-per-night or pay-per-weekend basis. Sophisticated adult-oriented programs.
SATELLITE: Satcom IV/24
SUBSCRIBER INFORMATION:
Affiliates: 44
As of: 11/01/88
Subscribers: 1,500,000

Request Television
(212) 984-5900

140 E. 45th St.
40th Floor
New York, NY 10017
PARENT COMPANY:
Reiss Media Enterprises, Inc.
New York, NY 10017
PERSONNEL: Jeffrey Reiss, Chairman/CEO; Leonard Fertig, President, Reiss Mediz Development; James Ganley, President, Reiss Media Distribution; Bruce Karpas, President, Reiss Media Productions; Craig Wilson, VP/Sales, Marketing & Prog.;
REGIONAL OFFICES: 211 Perimeter Center Parkway NE, Suite 1070, Atlanta, GA 30346 (404) 392-9860, Carter Maguire; 1701 East Woodfield Road, Suite 421, Schaumberg, IL 60173 (312) 884-1390, Ronald Norberg; 10100 Santa Monica Blvd., Suite 470, Los Angeles, CA 90067 (213) 557-9828, Greg DePrez.
PROGRAM HOURS: 20 hours daily
PROGRAM FORMAT: National satellite-delivered pay-per-view cable service offering two channels of programming. Channel 1 offers an avarage of 10 titles per month/Channel 2 offers an avarage of 15 titles. Hit films over both channels. Special events at selected times.
SATELLITE: Satcom IIIR/19-Satcom IIIR/24
SUBSCRIBER INFORMATION:
Affiliates: 200
As of: 12/01/88
Subscribers: 4,000,000

TUXEDO NETWORK

Tuxxedo Network
(212) 696-1221

WATS(National) . . . .(800) 635-9364
419 Park Avenue South
New York, NY 10016
PARENT COMPANY:
Home Dish Satellite Networks
New York, NY 10016
PERSONNEL: Paul Klein, President; Jeffrey Younger, Executive VP; Robert Kramer, CFO; Collette Connor, VP/Advertising & Promotion; Gibi Brown, VP/Sales & Affiliate Relations; John Amero, Assoc. Dir./Adv. & Promotions; Michael Kashmer, Executive VP;
TYPE OF SERVICE:
Pay-Per-View
PROGRAM HOURS: 7:30pm-6am daily (EST)
PROGRAM FORMAT: Adult films. Available subscription, PPV or pay-per-night.

SATELLITE: Galaxy II/10
SUBSCRIBER INFORMATION:
Affiliates: 13
As of: 01/18/89
Subscribers: 41,000
Price/sub: varies

Viewer's Choice
(212) 468-6600

800 Third Ave.
New York, NY 10022
PARENT COMPANY:
Pay Per View Network, Inc.
New York, NY 10022
PERSONNEL: James Heyworth, President/CEO; James English, VP/Programming; Robert Bedell, VP/Marketing & Sales; Sharon Portin, VP/Sales & Affiliate Relations; William Futera, VP/Finance; Sharon Sidello, Director/Event Marketing; Cheryl Simon, VP/Programming; Lori Cohen, Regional Director (Northeast);
REGIONAL OFFICES: 1888 Century Park East, Suite 830, Century City, CA 90067 (213) 785-9094, Mark Landon, Regional Director (West).
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Two pay-per-view channels of Hollywood films and important events.
SATELLITE: Galaxy III/16 & 21
SUBSCRIBER INFORMATION:
Affiliates: 200
As of: 12/01/88
Subscribers: 8,000,000

Zap Movies
(213)-556-5650

WATS(National) . . .(800) TELSTAR
2029 Century Park East
Suite 2500
Los Angeles, CA 90067
PARENT COMPANY:
Satellite Corp. of America
Los Angeles, CA 90067
PERSONNEL: Gerry Jordan, VP/Programming; Anne Droste, Director/Affiliate Relations; Gary Hamner, Mgr./Programming & Publications;
REGIONAL OFFICES: New York: (212) 838-3377, Carl Sambus.
PROGRAM HOURS: 1pm-1am daily
PROGRAM FORMAT: Multi-channel satellite delivered pay-per-view service featuring 12 to 18 movies per month.
SATELLITE: Spacenet II/1,3,11 & 23
SUBSCRIBER INFORMATION:
Affiliates: 7
As of: 01/05/89
Subscribers: 160,000

PPV Suppliers

Atlantic Releasing Corp.
(213) 650-2500

8255 Sunset Blvd.
Los Angeles, CA 90046

Choice Entertainment
(213) 530-2217

2790 Skypark Dr.
Suite 213
Torrence, CA 90505
PARENT COMPANY:
Kulis & Kulis Comm. Inc.
Torrance, CA 90505
PERSONNEL: Richard Kulis, Chairman/CEO; Judith Kulis, VP/Marketing; Matt Helreich, Director/Publicity; Norman Henry, Director/Sports Operations;

Columbia Pictures Pay TV
(818) 954-1080

4000 W. Alameda
Suite 450
Burbank, CA 91505
PERSONNEL: Dennis Woods, Director/Pay TV;

Crown International
(213) 657-6700

8701 Wilshire Blvd.
Beverly Hills, CA 90211
PERSONNEL: Mark Tenser, President/CEO; Alberto Giles, Executive Vice President; James Boyd, VP/Finance & Admin.; Scott Schwimer, VP/Business Affairs; Herb Fletcher, VP/Foreign Sales; Lynette Prucha, VP/Home Video & Pay TV; David Baughn, VP/General Sales Manager; John Calhoun, VP/Advertising & Publicity;

HBO Enterprises
(212) 512-1511

1100 Avenue of the Americas
New York, NY 10036
PERSONNEL: Andrea Graff-McBurnett, Director/HBO Enterprises;

MGM/UA Telecommunications
(213) 280-6276

10000 W. Washington Blvd.
Culver City, CA 90232
PERSONNEL: Bill Lee, Manager/Pay-Per-View;

New Century/Vista
(213) 201-0506

1875 Century Park East
Suite 200
Los Angeles, CA 90067

Orion Pictures Corp.
(212) 715-1106

711 Fifth Avenue
6th Floor
New York, NY 10022
PERSONNEL: Larry Hilford, Chairman/Orion Home Ent. Corp.;

Paramount Pictures Corp.
(213) 468-4478

5555 Melrose Ave.
Los Angeles, CA 90038

Samuel Goldwyn Company
(213) 284-9220

10203 Santa Monica Blvd.
Los Angeles, CA 90067
PERSONNEL: Jeri Sacks, VP/Cable & Ancillary Sales;

Skouras Pictures, Inc.
(213) 467-3000

1040 N. Las Palmas Ave.
Hollywood, CA 90038
PERSONNEL: Nicloa Dantine, Dir/Ancillary Sales & Oper.;

Tri-Star Pictures
(818) 954-1080

4000 W. Alameda
Suite 450
Burbank, CA 91505
PERSONNEL: Dennis Woods, Director/Pay TV;

Twentieth Century Fox Pay TV
(213) 203-1417

PO Box 900
Beverly Hills, CA 90213
PERSONNEL: Kathy Liddy, Manager/Domestic Pay TV;

Universal Pay Television
(818) 777-4317

70 Universal City Plaza
Universal City, CA 91605
PERSONNEL: Jerry Hartman, VP/Sales & Marketing;

Vestron Television
(203) 978-5400

1010 Washington Blvd.
PO Box 10382
Stamford, CT 06901
PERSONNEL: David Armstrong, VP/Sales;

Walt Disney TV-Touchstone Pict.
(818) 560-6558

500 S. Buena Vista St.
Burbank, CA 91521
PERSONNEL: Wendy Ferren, Director/Pay Television;

Warner Bros. Pay TV
(212) 484-8000

75 Rockefeller Plaza
13th Floor
New York, NY 10019
PARENT COMPANY:
Warner Communications, Inc.
New York, NY 10019
PERSONNEL: Edward Bleier, President; Stanley Solson, VP/Sales & Administration; Eric Frankel, VP/Marketing; J.T. Shadoan, Director/Financial Affairs; Margaret Jelcich, Director/Client Services; Anthony Cochi, Manager/Accounting & Data Services; Charlotte Mulford Marlis, Manager/Research & Admin.; Jeffrey Bernstein, Marketing Manager Sales & Administration; Barry Marx, Manager/Advertising & Promo.;

Announced Services

ACTV
(212) 262-2570

1270 Avenue of the Americas
Suite 2401
New York, NY 10020
PARENT COMPANY:
ACTV Inc.
New York, NY 10020
PERSONNEL: Michael Freeman, President; Leonard Schaier, Vice President; Diana Gagnon, Director/New Business Dev.; David Regal, Director/Programming; Steven Georgeou, Director/Marketing;
PROGRAM HOURS: 4 to 6 hours per day
PROGRAM FORMAT: Interactive cable service featuring personalized workout programs, children's shows, game shows, talk shows and sports.
PREMIERE: 4th Quarter 1989

ATV: Advertising Television
(201) 857-3500

420 Pompton Ave.
Cedar Grove, NJ 07009
PARENT COMPANY:
Web Broadcasting Systems, Inc.
Cedar Grove, NJ 07009
PERSONNEL: Paul Salerno, President/CEO; Tom Collins, Vice President;
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: All advertising basic network featuring themed hours, such as auto, fashion, travel, computer, beauty, etc. The hours will consist of 5 and 10 minute 'infomercials' (informational long-form commercials) produced by national sponsors.
PREMIERE: TBA

CD/8: The Digital Music Network
(212) 983-3300

342 Madison Ave.
Suite 505
New York, NY 10173
PARENT COMPANY:
International Cablecasting Tech
342 Madison Ave., Suite 505
New York, NY 10173
PERSONNEL: Jerold H. Rubinstein, Chairman; W. Thomas Oliver, President/COO; Thomas E. Shemo, VP Marketing/Consumer Tech.; Molly W. Seagrave, VP/Public Relations
TYPE OF SERVICE:
Pay/Audio Services Announced
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: To be announced.
PREMIERE: 6/89

Career Channel Network
(415) 326-8000

PO Box 536
Menlo Park, CA 94026
PARENT COMPANY:
The Keegan Group
Menlo Park, CA 94026
PERSONNEL: Dr. R. Peter Keegan, Chairman/CEO; Roland Hier, COO; J. Walter Keegan, VP/Marketing; Ewai Chan, Affiliate Relations; John Ralston, Affiliate Sales;
REGIONAL OFFICES: Soon to have offices in Denver and New York.
TYPE OF SERVICE:
Basic/Announced
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: National and regional career news and information service.
PREMIERE: 10/89

ADVERTISING:
Local Advertising Available
16 minutes per hour

Computer Channel, The
(213) 273-4411

1550 Centinela Ave.
Suite 210
Los Angeles, CA 90025
PARENT COMPANY:
Computer Channel Corp.
Los Angeles, CA 90026
PERSONNEL: Alan Backus, President; David Bierardo, Vice President; Jan Gildersleeve, Vice President; Scott Blum, Director/Marketing;
TYPE OF SERVICE:
Computer
Announced
PROGRAM HOURS: 24 hours daily
PROGRAM FORMAT: Home computer software 20 to 40 regularly changing computer games, educational and business selections.
PREMIERE: 5/89
ADVERTISING:
Local Advertising Available
none
% of software sales

Consumer Classified Advertising Network
(714) 548-3348

4831 Lido Dr.
Newport Beach, CA 92663
PARENT COMPANY:
Newport Advertising Network
4831 Lido Dr.
Newport Beach, CA 92663
PERSONNEL: J. Laurence Poudrier, President
TYPE OF SERVICE:
Text/Announced
PROGRAM HOURS: 24 hours
PROGAM HOURS: 24 hours
PROGRAM FORMAT: Classified advertising, trivia quizzes, contests and general information.
PREMIERE: 3/89
SUBSCRIBER INFORMATION:
Affiliates: 3
As of: 2/1/89
Subscribers: 200,000

Digital Radio Channel, The
(213) 513-1630

PO Box 1256
Carson, CA 90717
PARENT COMPANY:
Digital Radio Labs
Carson, CA 90717
PERSONNEL: Doug Talley, Chairman; Norm Hogarth, President; Paul Robert, Operations
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Sixteen channels of digital music, commercial free, 24 hours a day.
PREMIERE: 4th Quarter 1989

Digital Cable Radio
(215) 674-4800

WATS(National) . . . .(800) 523-6678
2200 Byberry Road
Hatboro, PA 19040
PARENT COMPANY:
Jerrold/General Instrument
Hatboro, PA 19040
TYPE OF SERVICE:
Pay/Audio Services
Announced
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Sixteen channels of digital music.

Kids Information Network
(714) 998-0573

WATS(National) . . .(800) KIDS-TV2
6201 Sunset Blvd. Suite 30
Hollywood, CA 90028
PERSONNEL: Jay Eckstein, Chairman; Harriet Aratin, Vice President;
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Cable network dedicated to finding missing children and adults. Also, follow up stories, reunions and parent guidance features on child safety with local authorities and celebrities.
SATELLITE: TBA
PREMIERE: 2nd Quarter 1989

Landscape Channel, The
44-1-620-2220

194 Union St.
London SE1-OLH, ENGLAND
PERSONNEL: Nick Austin, Chairman; Mike Appleton, Managing Director;
REGIONAL OFFICES: Los Angeles: Mike Hoppe (213) 935-0305.
PROGRAM FORMAT: World-wide home shopping and music channel showing breathtaking, beautiful images of the world's wonders.
PREMIERE: 10/89
SATELLITE: TBA

Laugh TV
(918) 747-6000

PO Box 52331
Tulsa, OK 74152
PERSONNEL: Alan Spooner, President
REGIONAL OFFICES: 18502 Mayhall St., Northridge, CA 91324 (818) 886-7120; other offices soon to open in Chicago, Dallas and New York.
TYPE OF SERVICE: Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Comedy, featuring videos, stand-up performances tapes around the country, sketches and special.
PREMIERE: 2nd or 3rd Quarter 1989

Interactive Game Network
(415) 322-8066

1000 El Camino Real
Suite 230
Menlo Park, CA 94025
PERSONNEL: David Lockton, President/CEO; John Lockton, Chairman; Dr. Robert Brown, VP/Engineering; Kevin Randolph, VP/Marketing;
PROGRAM HOURS: to be announced
PROGRAM FORMAT: Interactive
PREMIERE: 4th Quarter 1989

Main Street
(203) 965-4302

GTE One Stamford Forum
Stamford, CT 06904
PARENT COMPANY:
GTE
Stamford, CT 06904
PERSONNEL: Rob Mechaley, Manager/Cable Relations;
PROGRAM HOURS: 24 hours daily
PROGRAM FORMAT: Consumer interactive programming including shopping, travel, entertainment, and financial services.
PREMIERE: 2nd Quarter 1989
ADVERTISING:
Local Advertising Available

MEN-Maximum Entertainment Net.
(213) 556-2450

1901 Avenue of the Stars
Suite 1774
Los Angeles, CA 90067

PARENT COMPANY:
Full Circle Entertainment
Los Angeles, CA 90067
PERSONNEL: Ron Harris, Chairman; Jami Allen, President; Robert Carmer, Senior VP/CFO; Leslie Mandel, Senior VP; Tex Fuller, VP/Programming; Larry Gitlin, VP/Production
TYPE OF SERVICE:
Pay/Announced
PROGRAM HOURS: 6pm-2am daily
PROGRAM FORMAT: All original programming geared for men, featuring documentaries, drama, action, adventure, finance, science and technology.
PREMIERE: 9/89
SATELLITE: TBA

Music-Image Channel
(415) 326-8000

PO Box 9600
Palo Alto, CA 94309
PARENT COMPANY:
The Keegan Group
Menlo Park, CA 94026
PERSONNEL: Peter Keegan, Chairman/CEO; J.M. Keegan, President/COO; Drew Youngs, President/A&R Div.;
TYPE OF SERVICE:
Basic/Shopping/
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: All instrumental music programming service in stereo accompanied by beautiful visual images of nature, art, the worlds wonders, and people. Also a shopping channel offering the music and visual product.
PREMIERE: 11/89
SUBSCRIBER INFORMATION:
Price/sub: $.05 per sub

Spanish TV News Network
(809) 345-0215

GPO Box 2556
San Juan, PR 00936
PERSONNEL: Claraines Valenzuela, VP/Programming & Production
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: News, sports, special reports and expanded coverage of Latin American/Hispanic America affairs
PREMIERE: 5/89

Talk Television
(203) 762-2277

351 Nod Hill Road
Wilton, CT 06897
PERSONNEL: Paul Fitzpatrick, President; Barbara Ruger, Executive Vice President; Frank Bolger, Vice President;
REGIONAL OFFICES: Washington DC (301) 983-4291.
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: All talk-show featuring a broad variety of issues.
PREMIERE: 7/89
ADVERTISING:
Local Advertising Available
3 minutes per hour

AP/News Plus
(202) 955-7200

WATS(National) . . . .(800) 821-4747
1825 K Street NW
Washington, DC 20006
PARENT COMPANY:
Associated Press/Tribune Media
New York, NY 10020
PERSONNEL: James Williams III, Director/Broadcasting; Louis Boccardi, President; Greg Groce, Director/Cable Television;
REGIONAL OFFICES: John Strachman, National Cable Executive, 1825 K St. NW, Washington, DC 20006 (202) 955-7200; J. Susan Burgstiner, National Cable Executive, 1444 Wazee Street, #130, Denver, CO 80202 (303) 825-0123; Jerry Ostertag, National Cable Executive, 215 West Pershing St., Kansas City, MO 64108 (816) 421-6725; One CNN Center, South Tower, Suite 500, Atlanta, GA 30303 (404) 522-8971.
TYPE OF SERVICE:
Text/Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Continuously updated world and national news summaries, weather, sports, business and financial reports.
SATELLITE: Westar IV/6-GTE Spacenet III-R
ADVERTISING:
Local Advertising Available
2 minutes per hour

AP/Business Plus
(202) 955-7200

1825 K Street NW
Washington, DC 20006
PARENT COMPANY:
Associated Press/Tribune Media
New York, NY 10020
PERSONNEL: James Williams III, Director/Broadcasting; Louis Boccardi, President; Greg Groce, Director/Cable Television;
REGIONAL OFFICES: John A. Strachman, National Cable Executive, 1825 K St. NW, Washington, DC 20006 (202) 955-7200; J. Susan Burgstiner, National Cable Executive, 1444 Wazee Street, #130, Denver, CO 80202 (303) 825-0123; Jerry Ostertag, National Cable Executive, 215 West Pershing St., Kansas City, MO 64108 (816) 421-6725; One CNN Center, South Tower, Suite 500, Atlanta, GA 30303 (404) 522-8971.
TYPE OF SERVICE:
Basic/Text
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: International business news, providing hourly Dow Jones averages, 15-minute delayed quotes direct from the NYSE, currency rates, dollar market reports, investor briefs, NASDAQ, American Stock Exchange and Standard and Poor's reports.
SATELLITE: Westar IV/6-GTE Spacenet III-R
ADVERTISING:
Local Advertising Available
2 minutes per hour

AP/Sports Plus
(202) 955-7200

WATS(National) . . . .(800) 821-4747
1825 K Street NW
Washington, DC 20006
PARENT COMPANY:
Associated Press/Tribune Media
New York, NY 10020
PERSONNEL: James Williams III, Director/Broadcasting; Louis Boccardi, President; Greg Groce, Director/Cable Television;
REGIONAL OFFICES: John A. Strachman, National Cable Executive, 1825 K St. NW, Washington, DC 20006 (202) 955-7200; J. Susan Burgstiner, National Cable Executive, 1444 Wazee Street, #130, Denver, CO 80202 (303) 825-0123; Jerry Ostertag, National Cable Executive, 215 West Pershing St., Kansas City, MO 64108 (816) 421-6725; One CNN Center, South Tower, Suite 500, Atlanta, GA 30303 (404) 522-8971.
TYPE OF SERVICE:
Basic/Text
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Delivering the latest scores, schedules, game highlights, sports stories, standings and statistics-

as well as point spreads, player transactions, injury reports, sports trivia contests and contest roundups.
SATELLITE: Westar IV/6-GTE Spacenet III-R
ADVERTISING:
Local Advertising Available
2 minutes per hour

Cable SportsTracker
(918) 665-6690

WATS(National) . . . .(800) 331-4806
3801 South Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
Tulsa, OK 74145
PERSONNEL: Joe Batson, VP/General Manager; Virgle Smith, VP/Sales & Affiliate Relations; W. Chris Bourne, VP/Marketing & Operations; Joseph Rhees, Ad Sales Director; Mary Prodger, Director/Programming;
TYPE OF SERVICE:
Basic/Text
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Sports information service providing up-to-the-minute sports scores, news and schedules for football, baseball, basketball, hockey, horse racing and other sporting events.
SATELLITE: Galaxy I/3
SUBSCRIBER INFORMATION:
Affiliates: 46
As of: 12/31/88
Subscribers: 1,108,745
ADVERTISING:
Local Advertising Available
2 minutes per hour

EPG-Electronic Prog. Guide
(918) 665-6690

WATS(National) . . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
Tulsa, OK 74145
PERSONNEL: Joe Batson, VP/General Manager; Virgle Smith, VP/Sales & Affiliate Relations; W. Chris Bourne, VP/Marketing & Operations; Joseph Rhees, Ad Sales Director; Mary Prodger, Director/Programming;
TYPE OF SERVICE:
Basic/Text
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: System-specific program guide offering accurate program listings for basic, pay and pay-per-view.
SATELLITE: Galaxy I/3
SUBSCRIBER INFORMATION:
Affiliates: 280
As of: 2/1/89
Subscribers: 6,800,800
ADVERTISING:
Local Advertising Available

EPG Jr.-Electronic Prog. Guide
(918) 665-6690

WATS(National) . . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
Tulsa, OK 74145
PERSONNEL: Joe D. Batson, VP/General Manager; Virgle Smith, VP/Sales & Affiliate Relations; W. Chris Bourne, VP/Marketing & Operations; Joseph Rhees, Ad Sales Director; Mary Prodger, Director/Programming;
TYPE OF SERVICE:
Basic/Test
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: System-specific scrolling guide for small cable systems offering program information for basic and pay services.
SATELLITE: Galaxy I/3
SUBSCRIBER INFORMATION:
Affiliates: 330
As of: 2/1/89
Subscribers: 330,000
Price/sub: $.10 per sub/month
ADVERTISING:
Local Advertising Available

Genesis StoryTime
(204) 586-5457

240 Pritchard Ave.
Winnepeg, Manitoba, R2W-2J1
PERSONNEL: Gregory Stetski, Sales Manager;
TYPE OF SERVICE:
Basic/Text
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Storybooks with pictures and text using computer graphics.
SATELLITE: Satcom III-R/3
SUBSCRIBER INFORMATION:
Affiliates: 40
As of: 01/01/89
Subscribers: 2,000,010
Price/sub: none

Holiday TV Network
(301) 997-1056

5438 Thunder Hill Rd.
Columbia, MD 21045
PERSONNEL: Martin Lazar, President
TYPE OF SERVICE:
Basic
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: TBA
PREMIERE: 1989

Hotel PPV

COMSAT
Video Enterprises, Inc.®

Comsat Video Enterprises
(301) 428-7812

2230 Comsat Dr.
Clarksburg, MD 20871
PERSONNEL: Pat Bohana, Cable Ventures Director; Debra Schlundt, Marketing Support Specialist
PROGRAM HOURS: 1pm-6am ET daily
PROGRAM FORMAT: Three in-hotel channels—two first-run movie services plus a late-night entertainment channel
SATELLITE: SBS III
SUBSCRIBER INFORMATIOIN:
Affiliates: NA
As of: 2/1/89
Locations: 300,000 rooms/1,600 sites

Guest Cinema
(212) 984-5900

140 E. 45th St.
40th Floor
New York, NY 10017
PARENT COMPANY:
Reiss Media Enterprises, Inc.
New York, NY 10017
PERSONNEL: Jeffrey C. Reiss, Chairman/CEO; Leonard M. Fertig, Executive VP/CFO; Bruce T. Karpas, Senior VP/General Counsel; Lori Sherman, Director/Business Development;
REGIONAL OFFICES: 211 Perimeter Center Parkway NE, Suite 1070, Atlanta, GA 30346 (404) 392-9860, Carter Maguire; 1701 East Woodfield Road, Suite 421, Schaumberg, IL 60173 (312) 884-1390, Ronald Norberg; 10100 Santa Monica Blvd., Suite 470, Los Angeles, CA 90067 (213) 557-9828, Greg DePrez.
PROGRAM HOURS: 22 hours
PROGRAM FORMAT: Four channels—two combo hit movies/adult entertainment, two Request TV channels with movies & special events.
SATELLITE: Satcom III-R/4 & Satcom IV/18
SUBSCRIBER INFORMATION:
Affiliates: N.A.
As of: 2/1/89
Locations: N.A.

Cross-Channel Promotional Services

NuSTAR

NuStar
(215) 692-5900

1332 Enterprise Dr.
West Chester, PAQ 19380
PERSONNEL: Wayne Bullock, President; Douglas Dexter, VP/Operations; William Baker, VP/Affiliate Sales; Peter Mondics, VP/Network Sales
TYPE OF SERVICE:
Satellite-delivered cross-channel promotion
PROGRAM HOURS: 7am-2am
PROGRAM FORMAT: Daily time-specific promos inserted into 16 basic services
SATELLITE: Galaxy III/12
SUBSCRIBER INFORMATION:
Affiliates: 400
As of: 2/1/89
Subscribers: 6,000,000

Prime Time
TONIGHT
SM

Prime Time Tonight
(404) 333-3540

2600 Cumberland Pkwy.
Atlanta, GA 30339
PERSONNEL: James Humphreys Jr., General Manager; Mariane Leonard, Sales Assistant; Mike Chamlee, Production Coordinator
TYPE OF SERVICE: Tune-in information/cross-channel promotion
PROGRAM HOURS: 6:57 pm-10:27pm weeknights
PROGRAM FORMAT: Eight three-minute programs highlighting various cable productios, inserted as part of The Weather Channel at 27 and 57 minutes after the hour.
SATELLITE: Galaxy III/13
SUBSCRIBER INFORMATION:
Will launch late summer 1989

Computer Services

Data Broadcasting Corporation
(703) 790-3570

WATS(National) . . . .(800) 777-3334
8300 Old Courthouse Road
Vienna, VA 22180
PARENT COMPANY:
Financial News Network
New York, NY 10022
PERSONNEL: Joseph Taussig, President; Scott Dinsdale, VP/Technology; Cathy Flynn, VP/Marketing; Pat Grotto, VP/Sales;
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Stock quotations and financial information delivered to personal computers over blanking intervals of FNN.
SATELLITE: Satcom IIIR
SUBSCRIBER INFORMATION:
Affiliates: 462
As of: 2/1/89
Subscribers: N.A.

X*PRESS Info. Servi[illegible], Ltd.
(303) 721-1062

4643 S. Ulster
Suite 340
Denver, CO 80237
PARENT COMPANY:
TCI
Denver, CO 80237
PERSONNEL: Gerald Bennington, President; John Eaton, VP/Finance; George Backer, VP/Technical Operations; Susan Gunn, VP/Consumer Marketing & Comm.; Gary Clark, VP/Finance;
TYPE OF SERVICE:
Basic/Computer
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Computer information service.
SATELLITE: Galaxy I/7, 8 & 19
SUBSCRIBER INFORMATION:
Affiliates: 527
As of: 11/01/88
Subscribers: 14,000

Interactive Services

TELACTION®
Shopping at the speed of life.

Telaction Corp.
(312) 240-4000

1750 E. Golf Road
#1000
Schaumburg, IL 60173
PARENT COMPANY:
J.C. Penney Co.
Dallas, TX 55240
PERSONNEL: Stuart MacIntire, President; Edward Merlis, President/Cable Affiliate Div.; Steve Peterson, Senior VP/Marketing; Wayne Miller, VP/Corporate Development; Gerald Schaefer, VP/Corporate Operations; William Wollett, VP/Human Resources; Ben Allen, VP/Finance; Kathleen Kanehann, Director/Advertising & PR; Mary Dale Walters, Public Relations Director
TYPE OF SERVICE:
Shopping Network
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Interactive shopping network.
SUBSCRIBER INFORMATION:
Affiliates: 4
As of: 12/07/88
Subscribers: 30,000
ADVERTISING:
Local Advertising Available

Video Jukebox Network
(305) 573-6122

WATS(National) . . .(800) USA-JUKE
3550 Biscayne Blvd.
Suite 711
Miami, FL 33137
PARENT COMPANY:
Video Jukebox Network, Inc.
Miami, FL 33137
PERSONNEL: Andrew Orgel, President/CEO; William Stacy, Executive VP; Morris Clark, VP/Operations; Michael Paul, VP/Engineering; John Robson, Director/Corporate Comm.; Cheryl Greene, VP/Affiliate Relations;
TYPE OF SERVICE:
Non-Satellite Fed National Interactive Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Interactive music video service.
SUBSCRIBER INFORMATION:
Affiliates: 10
As of: 2/1/89
Subscribers: 340,000

uity Associates represented McDonald.

- **Sierra Telecommunications** has shifted its surburan Reno, Nev., systems to Tele-Communications Inc. The system covers 3,200 households in Cold Springs, Callahan Ranch, Galena Forest, Mogul, Spanish Springs and Verdi. Sierra, represented in the agreement by Coaxial Capital, is owned by Wander Telecommunications of San Francisco.

- **Bresnan Communications** has purchased Star Cablevision's 1,800 subscriber system in Manistique, Mich. Bresnan will operate the system from its Escanaba, Mich., office. Financial terms were not disclosed.

Contracts/Orders

- **Turner Broadcasting** and **Home Box Office** have contracted in principle with Hughes Communications for transponders on C-band Galaxy satellites that will be launched in the early 1990s. The transponders will be used as replacements for current satellite space, with Turner and HBO going forward with the plan under a joint venture. Space will be retained on Galaxy V, scheduled to lift off in early 1992, and Galaxy I-R, set for mid-1993 operation. Galaxy V will carry CNN, HBO's East Coast feed, Headline News and TNT, while Galaxy I-R will transmit various HBO and Cinemax feeds and a possible TNT feed for the West Coast. The agreement, still to be approved by the HBO, Hughes and TBS boards, is worth about $60 million and could go up to $100 million in the long run if either HBO or TBS need additional Galaxy transponders for new serv-

QUARTERLY EARNINGS CHART

Dollar amount in thousands

Company (Quarter/Fiscal Year)	**Revenues**	**%Change**	**Operating Profit**	**%Change**	**Net Income**	**%Change**
Phoenix American (2nd/89)	$ 10,210	33.4	$ N.A.	N.A.	$ 1,687	34
QVC Network (4th/88)	67,544	48	4,254	52.3	4,254	83.8
Scripps Howard (4th/88)	79,480	14.6	22,358	36.6	8,248	31.4
Times Mirror (4th/88)	925,149	6.9	171,236	7.6	159,862	57.3
Viacom (4th/88)	355,367	34	66,903	105	- 26,051	46.7
Washington Post (4th/88)	370,757	1.6	51,563	-48.6	36,933	-74.4
Zenith Electronics (4th/88)	840,700	18.4	34,600	52.3	20,400	76.9

SOLD

February, 1989

FIRST CABLE AND LAND CORPORATION
has sold its cable television assets serving portions of Polk and Hickory County, Missouri to

ENSTAR CABLE OF CUMBERLAND VALLEY

The undersigned represented First Cable and Land Corporation in this transaction.

HPC Hardesty, Puckett & Company
COMMUNICATIONS BROKERAGE AND INVESTMENT BANKING

SAN DIEGO OFFICE
16236 San Dieguito Road
Bldg. 1, P.O. Box 9063
Rancho Santa Fe, CA 92067
(619) 756-4244

MIDWEST OFFICE
2947 Wanamaker Drive
Suite D
Topeka, KS 66614
(913) 273-0017

NOTE

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PUBLICATION HAVE BEEN FILMED

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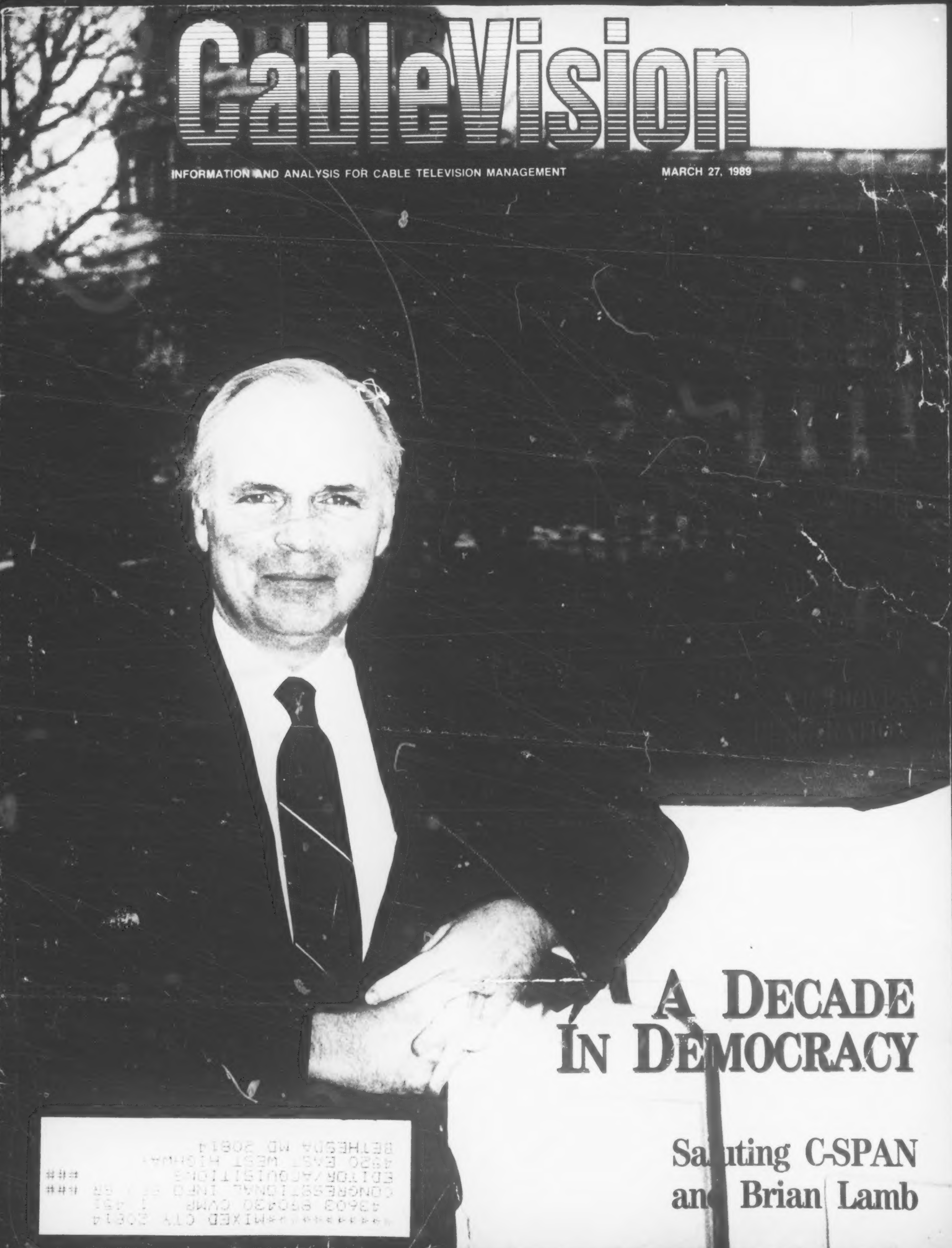
CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

MARCH 27, 1989



A DECADE IN DEMOCRACY

Saluting C-SPAN and Brian Lamb

*****************MIXED CTY 20814
43603 880430 CVMB 1 451
CONGRESSIONAL INFO [illegible] SR ###
EDITOR/ACQUISITIONS ###
4920 EAST WEST HIGHWAY
BETHESDA MD 20814

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT MARCH 27, 1989

◆

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MultiPort's future brightens. 11
After a rocky start, the IS-15 MultiPort device seems to be facing a brighter future as vendors agree to supply interface devices so field tests can begin.

Penney's plans for Shop TV. 16
In a vote of confidence for Shop TV management, Penney will incorporate the shopping channel into its retail operations and catalogue sales.

CNBC lands John McLaughlin. 18
Political commentator John McLaughlin will hold a weekday prime time show on CNBC focused on business issues and comsumer news.

Anixter adjusts fiber strategy. 18
Prices on some fiber optic links will be reduced as Anixter rethinks its overall strategy for delivering fiber products.

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A decade in democracy. 20
C-SPAN celebrates its 10th anniversary as the cable industry and many high government officials salute its contributions to the democratic dialogue.

Construction surge continuing. 30
The somewhat perplexing boom in cable construction continues apace, with $1.7 billion in activity forecast for the year.

In search of the right avails. 52
In something of a contradiction, local cable ad managers have unsold inventory but want more spots because demand is rising for time on high-profile shows.

The Time/Warner merger. 54
A hurricane of talk surrounding the proposed merger of Time Inc. and Warner Communications masks a calm at the center of the two media giants.

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Making local sales easier

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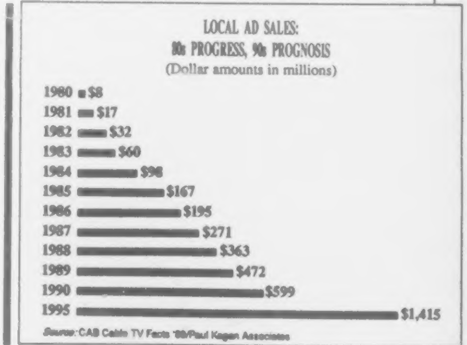
Time Inc.

WARNER COMMUNICATIONS

As American as apple pie

54



Source: CAB Cable TV Facts '89/Paul Kagan Associates

The dollars begin to add up

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COVER PHOTOGRAPH

Brian Lamb, cable's man in Washington

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ABP BPA

4

$1.7 billion in construction forecast in perplexing boom

By *Fred Dawson*

McCourt Cable workers at an historic site for Cablevision Systems' Boston franchise.

If there was any doubt that the cable industry has shifted gears into a new, asset-building phase of its development, this year's *CableVision* Construction Survey makes the point in dramatic style.

The industry hasn't seen construction activity on the scale of this and last year's pace since the urban wiring boom was at its peak in 1982 and '83. Data supplied by respondents to the survey, representing 51 percent of the subscriber base, indicate 1989 expenditures for newbuild and replacement plant (including upgrades and rebuilds) and for subscriber gear will hit $1.7 billion, up from $1.6 billion in '88. The highest yearly outlay ever recorded in *CableVision*'s 14-year tracking of the hardware front was $1.76 billion, the 1982 total. If 1989 spending comes in on target, it will be the second highest total ever registered, although, discounting for inflation, the pace might not be as high as some of the other banner years of the early '80s.

But, anyway you cut it, 1989 is way ahead of what most people expected, even after last year's heady pace. "In a word," comments Marty Ingram, Anixter Cable TV's vice president of marketing and product management, "things are booming. We had record sales in January. We're seeing inventory being used in the winter months that we'd stocked for spring demand."

The projected expenditures in *CableVision*'s forecast include $606 million for 34,711 miles of newbuild plant, $515 million for 74,335 miles of replacement plant and $580 million for subscriber equipment. Of these categories, only the newbuild plant items are down from the 1988 totals, which showed 39,377 miles were installed at a cost of $669 million. (*See chart, p. 36, for line-by-line comparisons.*)

That industry construction is moving at the pace of the early '80s may be hard to accept, even for some veteran observers of the business. In fact, our survey results raised eyebrows in-house, given the fact that last year's construction forecast called for 1988 outlays of $1.4 billion, representing a $170 million jump from the previous year. The 1988 forecast projected 26,090 miles of newbuild plant and 60,614 miles of replacement plant, whereas the current survey finds that the newbuild total, at 39,377 miles, was much higher. (Replacement miles in '88, at 62,765, were close to last year's forecast of 60,164 miles.) Overall, total actual expenditures for '88, at $1.6 billion, were $200 million ahead of last year's survey forecast and $370 million or a whopping 30 percent ahead of the $1.25 billion outlay for 1987.

One party sure to do a double-take on seeing the numbers in the forecast is Geoff Roman, vice president of marketing at General Instrument Corp.'s Jerrold division. Roman, who characterizes the market for his firm's distribution gear as very strong and likely to stay that way for years to come, says Jerrold's projections for '89 call for about 78,000 to 80,000 total plant miles, including newbuild, rebuild and upgrades, which is well below the 109,046 miles projected in CV's forecast.

But another industry survey, conducted by Paul Kagan Associates and reported in the firm's Jan. 16, 1989, *Cable TV Technology* newsletter, is remarkably close to the CV findings, with total miles pegged at 109,775. The Kagan breakdown of newbuild vs. replacement plant miles also is on track with the *CableVision* survey. Kagan forecasts that newbuild plant will account for 36,142 miles of that total, which compares to 34,711 newbuild miles forecast by

CV (newbuild in both instances includes plant extensions into new territory), leaving 73,633 miles of rebuild and upgrade plant in the Kagan forecast vs. 74,335 miles in the *CV* forecast.

(It should be noted that, while the Kagan and CV plant mile projections are in agreement, the dollar projections, as always, are at great variance. *CV*'s '89 spending forecast of $1.7 billion is $744 million below Kagan's. The disparity is a function of methodology. *CV* projects its cost figures from a survey that asks for line-by-line dollar amounts, whereas Kagan only asks MSOs for plant mile projections. The Kagan expenditure projections are figured from the firm's per-mile formulations for plant mile costs.)

At a time when the last of the big-city newbuilds are well on their way to completion and the industry, through a fairly aggressive upgrade schedule over the last few years, has brought average system channel capacity to 35 channels nationwide, it's reasonable to ask why things are moving at such a feverish pace. Or, put another way, how can it be that a firm as close as Anixter Cable TV is to MSO demand could be seeing what Ingram terms optimistic projections for '89 blown out before the year is three months along?

Ingram declines to speculate on the causes behind the construction boom, but others are less retiscent. While the list of perceived reasons varies from supplier to supplier, virtually all of them put the potential for competition from outside interests at the top of the list. "I think fear of the possibility of telco entry is driving the market," says Geoff Roman. "There's a thought out there that there might be some competition from the telcos," is the way John Hastings, national marketing manager for CATV products at C-Cor Electronics, begins his response to the question.

Also figuring high on the roster of causes behind the construction boom are other items associated more with the future than any present needs, including expectations that more bandwidth will be needed for HDTV and for various futuristic services that might emerge as a result of demand for interactive services. And there is a snowball effect as some operators act to prepare for such perceived needs, insofar as others, who might not be so responsive to visions of what the future might hold, are responsive to the thought that, if their systems are not keeping pace with evolving state-of-the-art, they could suffer consequences in the marketplace when it comes time to sell their properties.

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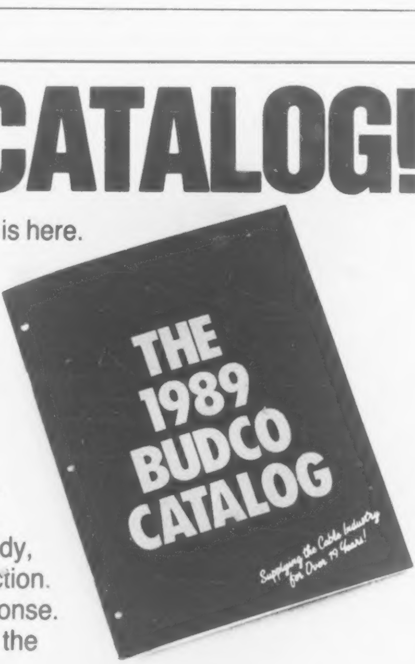

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tomed to making their livings judging MSO demand for hardware it is clear that something more than traditional demand factors are at work. Ingram notes that Anixter's '89 inventory scheduling was based on anticipated increases in business stemming from its merger last year with Cable TV Supply and from the upgrade and newbuild requirements associated with such traditional construction drivers as refranchising, new housing growth and demand for more services. "The surprising leap for us has been in upgrades," he says. "We used to think of upgrades as changeouts of the electronic modules. Now, the upgrading process is slanted more toward rebuild, with people installing new cable, changing out taps and other things common to rebuilds when there's still plenty of life in existing plant."

As a result, Ingram notes, demand for strand, lashing wires and 12' bolts, harbingers of full-scale cable replacement, "has gone through the roof." Moreover, he adds, the drain on inventory for these products "hit in January rather than in April or May, as we expected."

Such aggressive activity in situations which, on paper, looked like they'd be nothing more than standard upgrades involving a changeout of amps, points to preparations for a future where the technological demands on the basic cable plant are likely to be far greater than the immediate demands associated with a move to 450 MHz, the current norm in upgrade bandwidths. "Cable operators are concerned about the potential of competition," says Bob Ackerman, president of TVC Supply Co., the Hershey, Pa., distributor which recently expanded to nationwide operations with the acquisition of West Coast-based Horizon Cable. "There is obvious overbuilding going on already. Telesat's operation in Florida is not going

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CableVision's 14th Annual Construction Forecast

New plant construction (in miles)	**1988**	**1989**
Underground	17,055	15,561
Aerial	22,322	18,150
Total	**39,377**	**34,711**
Estimated costs, newbuild construction ($ in thousands)		
Antennas and towers	$ 8,409	$ 7,682
Microwave equipment	13,054	6,564
Headend equipment	41,100	49,472
Line amplifiers	56,082	54,073
Cable—trunk and feeder	95,618	79,764
Cable—drop	144,463	120,036
Taps and outlets	48,272	35,018
Traps	25,773	19,900
Earth stations	4,198	5,545
Commercial insertion equipment	19,609	19,612
Other studio and mobile production gear	14,636	16,336
Construction services (design, make-ready, etc)	54,937	37,162
Construction labor and equipment	143,337	154,900
Total	**669,488**	**606,064**
Replacement plant construction—upgrades and rebuilds (in miles)		
Underground	24,065	22,012
Aerial	38,700	52,323
Total	**62,765**	**74,335**
Estimated costs, replacement plant construction ($ in thousands)		
Antennas and towers	$ 6,716	$ 8,263
Microwave equipment	9,468	11,879
Head end equipment	30,266	37,186
Line amplifiers	94,685	118,790
Cable—trunk and feeder	107,092	129,120
Cable—drop	28,585	35,121
Taps and outlets	43,718	53,714
Traps	12,293	17,560
Construction labor and equipment	84,074	103,296
Total	**416,897**	**514,929**
Estimated costs, subscriber equipment ($ in thousands)		
Converters, non-addressable	$ 66,650	$ 62,969
Converters, addressable	439,669	487,450
Off-premise addressable systems	4,223	5,715
Add-on components (VCR interface, FM hookup)	15,962	23,500
Total	**526,504**	**579,634**
GRAND TOTAL	**1,612,889**	**1,700,627**

unnoticed by other people. If I were a cable operator, I'd be nervous that other concerns would see an opportunity in situations where the quality of existing service leaves something to be desired."

But while pre-emption of such activity is driving many operators to push plant ever further into unwired territory, the larger competitive issue at work in the construction boom has to do with the telcos' potential to meet franchise authority demands for improved service and advanced technology. This is a big reason why the upgrade process involves more than a simple changeout of amp modules.

"We're hearing a lot of talk about 600 MHz," Ackerman says. "People are gearing toward the necessity for higher bandwidth. Our customers are looking for cable systems to last longer, in the technological sense, so that what they're building today is expandable in the future."

Ackerman and virtually every other hardware vendor agrees that the current target for the vast majority of upgrade-minded operators is 450 MHz. "We don't see nearly as much 550 MHz activity as the promotion suggests," says Ingram. Hastings agrees, though he sees some recent uptick in 550 MHz activity. "The feedforward amplifier, mostly at 450 MHz, is our hottest product," he says, adding that power doubling modules, employed in the distribution lines, aren't far behind.

Of course, the combination of these amplifier techniques is what has facilitated the surge to 450 MHz without a need for respacing of amplifiers. But the beauty of this technology for operators is that it also serves as a bridge to the next level of evolution in plant topology, which depends on the introduction of fiber into the trunk lines. As currently envisioned, fiber links will intersect with coaxial trunk at intervals several amplifiers apart, such that, for any given segment of the distribution plant, the number of amplifiers between the headend and the subscriber will be significantly reduced, with current plans calling for anywhere from three- to seven-amplifier cascades.

As noted in the last issue of *CableVision*, such development is underway, with manufacturers working on 750 MHz amplifiers and, in at least one case, 1 GHz (1,000 MHz) amps. According to Geoff Roman, Jerrold will be signaling its intentions to develop higher bandwidth amps with the introduction of new modules at the NCTA convention in May. But, he adds, the type of semiconductors necessary to make such amplifiers a practical alternative have not gone into production at the big hybrid supply houses. "The semiconductors are barely adequate for full-channel loading at 750 MHz with very short cascades," Roman asserts. "We're working with the hybrid manufacturers to push the process along. I think we'll see product emerging that can operate in the limited cascade environment within 15 to 18 months."

David Fellows, vice president and general manager of distribution, headend and earth station systems at Scientific-Atlanta, says his firm, too, is pursuing 750 MHz technology. "But we want to do it with fully integrated product, not on a piecemeal basis," he adds.

At C-Cor work is underway on a 1 GHz amplifier, which will be demonstrated at the NCTA show. But Hastings says the unit is not meant to be seen as a field-ready piece of

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gear. Instead, it will serve notice to the industry that C-Cor has developed the circuitry for delivering 150 channels of programming in anticipation that the industry will one day be looking for that kind of bandwidth. "We can get to about 860 MHz over a two- or three-amp cascade," he says, "but, fully loaded, the signal quality wouldn't be acceptable to most operators. What we're demonstrating is that we're on the track so that when the hybrids (semiconductors) come along we'll have the product."

With the combination of fiber trunking and semiconductor advances opening the possibility of 1 GHz bandwidth in the not too distant future, cable operators suddenly have the option to be factoring a dramatically expanded vision of the business into their capital expansion plans right now. As a result, as Ingram puts it, the meaning of the word "upgrade" is getting a new definition. "Operators are already looking for passives—splitters, direct couplers and taps—that can accommodate higher bandwidths," comments Hastings. He says C-Cor is being asked to use its high bandwidth amplifier technology to evaluate high-capacity passive devices by operators who want to begin installing such devices.

As for the other major category in *CV*'s construction forecast, namely, subscriber gear, the industry trend toward addressability and away from "plain Jane" boxes is clearly gaining momentum. "We saw a big dropoff in the non-addressable category in 1988," Ackerman notes. "Sales were booming in '87, and then the bottom fell out. We'll see a steady flow in '89 at last year's pace, but it won't be anything like what it was before."

This squares with the *CV* survey findings, which indicate expenditures for non-addressable gear fell to $66.7 million in '88 from in excess of $268 million the year before. The projection for '89 calls for outlays of $62.9 million.

Addressable gear, in contrast, has taken off, with expenditures of $439.7 million registered in '88, against $303.4 million in '87. For '89, the forecast is that operators will spend a whopping $487 million in this category. Here, again, the signal is that operators are looking for ever more bandwidth, given the fact that pay-per-view is the big driver behind addressability. ■

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ADVERTISING

In search of the *right* avails

By Wayne Friedman

Brenda Blackburn, local ad sales manager with The Weather Channel

Today "reach" and "frequency" aren't the only buzzwords on advertisers lips. *Larry King Live* and *Miami Vice* are as well. And just as the cable networks themselves are attracting more advertisers through certain high-profile programming, so, too, are the local system ad sales managers.

Local cable advertisers, either those national companies that buy cable on a spot basis, such as a General Motors, or a local auto dealer, finally are treating cable like their bigger and more powerful over-the-air station brothers. "They are getting (to treat cable) just like television," says Harry Durando, director of sales for the New York Interconnect, in reference to advertisers' cable buying habits. "They don't want rotations." In rotation or run of schedule (ROS) buys, an advertiser places a spot that would appear throughout the day, without much regard to individual programs. But Durando says buying cable now "is getting more sophisticated."

And cable still is a medium used by advertisers to compensate for underdelivery of over-the-air stations in cable homes. "Advertisers want frequency (from cable)," says Dan Camie, ad sales manager at United Cable Advertising in Boise, Idaho. "We are giving him extended coverage to get into a new audience."

Plenty of cable inventory can indeed accomplish this, even when some operators, like Camie, restrict themselves to selling certain dayparts. Camie's Boise system sells on a 6 a.m. to midnight schedule. Still, over the last two months, Camie says, CNN has been 60 percent sold out, and ESPN was in the 60-70 range. "We've got lots of inventory we don't sell," says Camie.

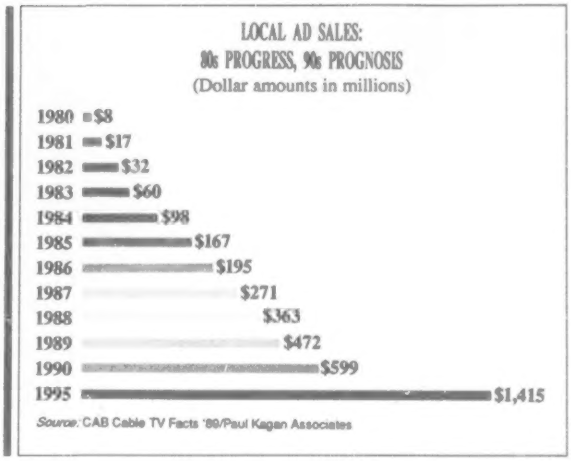
Bob Williams, president of National Cable Advertising, which sells time on local systems to national advertisers, confirms that "the bulk of cable inventory goes unsold" for national advertisers as well.

Individual programs with high profiles then become more attractive and command a premium. That's why NBA basketball, which will migrate to Turner Network Television starting next season, is so important. Very few systems currently have insertion equipment for the network, a situation that is expected to change by next year.

Hastening that commitment by local operators to become capable of inserting ads on TNT is the network's generous delivery of local ad avails. Departing from the usual two minutes an hour most networks hand operators, TNT is delivering four minutes of local advertising time. CNBC is also enticing operators with more avails, offering three minutes. By having these extra avails and new niche channels, says NCA's Williams, "It gives you more things to talk about, and more possibilities for advertisers."

All this might not seem to make sense. On the one hand operators say they do not regularly sell out local inventory, but on the other they say they are in desperate need of more time. The explanation is that system ad managers need the *right kind* of avails. What advertiser, whether buying time on over-the-air TV or on cable, is clammering for early-morning or some daytime slots? The need, then, is in certain dayparts, such as prime time, or for particular high-profile programs.

Ron Fischmann, vice president and director of local sales for the Cabletelevision Advertising Bureau, says "We need more avails. We could use four to five minutes (per hour) on every network. We sell a



LOCAL AD SALES:
80s PROGRESS, 90s PROGNOSIS
(Dollar amounts in millions)

Source: CAB Cable TV Facts '89/Paul Kagan Associates

lot of reach and frequency; we never get big ratings. We like to sell bulk." Fischmann says this is especially true on the noon to midnight time period. It means even when advertisers are attracted to ESPN's NFL package, it won't be the only programming that's bought.

Fischmann says with the arrival of the NBA on TNT later this year, plus the voluminous baseball package of 175 games starting in 1990, "Many systems will be packaging NBA, NFL, and Major League Baseball year round." Demand for these sporting events is high, and operators already are reporting they are either sold out or nearly so for NFL games for the coming season.

This could lead to local cable advertising sales rising to $535 million for the coming year, says Fischmann, from around $363 million in 1988, a 32 percent hike. Where local cable ad sales represented 25 percent of all cable advertising in 1988, it will swell to 32 percent by 1995.

Well before then many cable networks hope to be added to cable systems' local advertising package. The "core four," as cable advertisers term CNN, ESPN, MTV and USA, is no longer the standard by which to measure what networks cable systems sell, according to CAB's Fischmann. He says systems typically sell time on six to eight networks, including Lifetime, The Nashville Network, Arts and Entertainment and The Weather Channel. Regional sports networks also are prominently displayed.

The Weather Channel is "at the moment considered a secondary" network in line for insertion by systems, says Brenda Blackburn, local ad sales manager of the channel. Only 15 percent of its affiliates are able to sell local avails on the network. A reorganization of the department, and the opening of new regional offices, are part of the plan to encourage affiliates to sell time on the network. "The benefit to us is that is increases the value of the network and increases the chance of carriage," she says.

Lifetime also hopes to break out of the pack of secondary networks for local insertion by highlighting its strong female appeal that could attract local department stores as well as local auto dealers. According to Bill Padalino, vice president of sales and administration for Lifetime, only 25 percent of its affiliates insert local ads in the network.

It will be a hard fight because, ad agencies executives say, there already is a nearly full complement of popular audience-targeted networks available locally. ESPN skews to men; CNN targets older men and women; MTV obviously has younger viewers, while USA appeals to a broad mixture of men and women. These networks make up the majority of the 2,000 systems which insert local ads, and represent 70 percent of all cable subscribers.

There also are ratings problems. Savvy local and national advertisers accustomed to buying by the numbers demand it, but some systems can't provide them that information. Operators say ratings are a hinderance to selling cable, detracting from the "environment sell" of each niche network. To local advertisers, "they just want to hear the cash register ringing," says Dave O'Brien, general manager of Cable AdNet in Pittsburgh. "Numbers basically tell them what they should have bought a month ago."

Ratings are not the biggest headache, though, says Fischmann. It is getting more systems to join major market interconnects. National advertisers especially don't want to buy just a piece of the cable universe in a particular market. ■

QUARTERLY EARNINGS CHART

Dollar amount in thousands

Company (Quarter/Fiscal Year)	Revenues	%Change	Operating Profit	%Change	Net Income	%Change
Microwave Filter (1st/89)	$ 1,540	49.6	N.A.	N.A.	$ 145	669.2
Oak Industries (4th/88)	49,918	6.8	5,044	82.9	5,094	82.9
Turner Broadcasting (4th/88)	224,794	16	28,661	-7	-18,097	33

Showtime, Z Channel, and The Disney Channel.

Long term, however, the combined company's resources will give it crucial programming and marketing flexibility in a fast changing global marketplace.

Says Bear Stearns's Kukowski: "It will be a strategic advantage to have a strong source of programing in the increasingly competitive media environment that I envision in the 1990s." ■

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February, 1989

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NOTES

Financial/Stocks

- **WestMarc Communications** generated $118.3 million in fiscal 1988 revenues, compared with $101.7 million last fiscal year. But on a net basis the company lost $11.9 million, compared to $9 million in 1987 net earnings. Increased interest expense related to system acquisitions and several microwave contract cancellations forced the net loss. Company officials did not provide a breakdown of 1988 fourth quarter results.

- **Turner Network TV's** first financial numbers are in; the service accumulated $14.7 million in start-up operating losses and received $3.7 million in ad billings during its first three months from October to December. Despite the TNT outcome, Turner Broadcasting reported higher revenues and a reduced overall net loss for fourth quarter 1988 (see chart).

- **First AmeriCable Corp.** has retained Daniels & Associates to evaluate the MSO's system portfolio and make recommendations accordingly. S.D. Butler, vice president and CFO of First AmeriCable, said the company is considering the sale of one or all of its franchises as an option, pending the result of Daniels' evaluation. Warner Cable owns a minority interest in First AmeriCable, which manages systems in six states.

- One of the companies **First AmeriCable** is about to take over has been fined $35,000 for continued bonding/grounding violations by the N.Y. State Commission on Cable TV. Cable TV of Central N.Y. was fined for failing to clear a commission-

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,977,790	(12/88)
2.	American Television & Communications Corp.	4,000,000	(2/89)
3.	Continental Cablevision	2,349,000	(1/89)
(5) 4.	Storer Cable Communications	1,530,700	(1/89)
(4) 5.	Warner Cable Communications	1,529,000	(1/89)
6.	Cox Cable Communications	1,472,300	(1/89)
7.	Comcast	1,436,000	(1/89)
(12) 8.	Cablevision Systems Corp.	1,334,601	(3/89)
(8) 9.	UA Cablesystems	1,339,729	(10/88)
(9) 10.	United Cable	1,273,000	(1/89)
11.	Newhouse Broadcasting	1,123,634	(12/88)
(10) 12.	Jones Intercable	1,111,212	(2/89)
(14) 13.	Heritage Communications	1,078,085	(12/88)
(16) 14.	Times Mirror Cable TV	997,156	(1/89)
(13) 15.	Viacom Cable	950,000	(2/89)
(15) 16.	Cablevision Industries	911,115	(2/89)
17.	Sammons Communications	849,287	(2/89)
18.	Century Communications	774,439	(12/88)
(21) 19.	Adelphia Communications	714,000	(1/89)
20.	Cooke Cablevision	710,000	(1/89)
(19) 21.	Paragon Communications	703,000	(1/89)
22.	Falcon Cable TV	630,000	(12/88)
23.	Centel Cable	582,623	(1/89)
24.	Telecable	570,000	(1/89)
25.	WestMarc Communications	549,923	(2/89)
26.	Rogers Cablesystems Inc.	529,708	(12/87)
27.	Scripps-Howard	523,000	(1/89)
(31) 28.	Multivision Cable TV	481,000	(1/89)
29.	Tele-Media	464,576	(1/89)
(28) 30.	Prime Cable	455,123	(12/88)
(30) 31.	Post-Newsweek Cable	400,000	(1/89)
32.	Lenfest Group	350,000	(1/89)
33.	TCA Group	337,999	(1/88)
34.	Maclean Hunter Cable TV	331,599	(12/88)
35.	Multimedia Cablevision	318,300	(1/89)
36.	Rifkin & Associates	304,000	(12/88)
37.	Colony Communications	301,576	(12/88)
38.	TKR Cable	268,195	(12/88)
39.	Western Communications	262,100	(1/89)
40.	Star Cablevision Group	254,000	(1/89)
41.	Simmons Communications	246,690	(1/89)
42.	Cencom Cable	238,168	(2/89)
43.	Communications Service Inc.	228,526	(12/88)
44.	Hauser Communications	226,000	(1/89)
45.	Service Electric Cable TV Inc.	220,000	(8/88)
46.	Greater Media	183,627	(11/88)
47.	Media General	170,000	(1/89)
48.	Harron Communications	167,261	(12/88)
49.	Sutton Capital Group	167,000	(12/88)
50.	Columbia International	166,423	(12/88)
51.	Palmer Communications	165,968	(2/89)
52.	U.S. Cable Corp.	152,000	(12/88)
53.	Insight Communications	152,000	(12/88)
54.	Armstrong Utilities	149,000	(1/89)
(61) 55.	King Videocable	141,158	(1/89)
56.	Triax Communications	141,000	(6/88)
57.	Cable Systems USA	133,959	(12/88)
58.	Northland Communications	133,602	(12/88)
59.	Summit Communications	132,713	(12/88)
60.	Bresnan Communications	127,351	(1/89)
(63) 61.	Booth Communications	119,000	(1/89)
62.	Sonic Communications	118,000	(12/88)
(55) 63.	McDonald Group	114,900	(1/89)
64.	Susquehanna Broadcasting	112,205	(12/88)
(66) 65.	United Video Management	103,500	(1/89)
(65) 66.	Midcontinent Cable Systems Co.	102,672	(8/88)
67.	Pencor Services	96,678	(12/88)
68.	First Carolina Communications	96,000	(1/89)
(70) 69.	WEHCO Video	91,000	(1/89)
70.	Omega Communications	90,500	(3/88)
(69) 71.	Selkirk Communications	74,428	(8/88)
72.	Coaxial Communications	74,000	(12/88)
73.	Gilbert Media	72,000	(12/88)
(75) 74.	Chambers Communications Corp.	63,530	(12/88)
(76) 75.	Douglas Communications	60,000	(1/89)
(77) 76.	Cardinal Comunications	58,900	(12/88)
(78) 77.	James Cable Partners	58,811	(12/88)
(79) 78.	Hearst Communications Of California	57,410	(12/88)
(80) 79.	Prestige Cable TV Inc.	56,514	(12/88)
(81) 80.	C-TEC Cable Systems	56,250	(12/88)
(87) 81.	Barden Cablevision	55,000	(1/89)
82.	Joseph Gans Cable TV	54,000	(12/88)
83.	State Cable TV	53,700	(12/88)
84.	Pagnotti Inc.	52,590	(12/88)
85.	Telesat Cablevision Inc.	52,590	(12/88)
(88) 86.	Bachow & Elkin Communications	51,700	(1/89)
(86) 87.	Leonard Communications	51,700	(12/88)
(89) 88.	Galaxy Cablevision	50,612	(12/88)
(90) 89.	Helicon Corp.	50,000	(3/88)
(91) 90.	New England Cablevision	48,800	(1/89)
(74) 91.	Rock Associates	46,800	(1/89)
92.	Donrey Media Group	46,585	(12/88)
(94) 93.	CableSouth Inc.	41,537	(12/88)
(95) 94.	Eastern Connecticut Cable TV	41,444	(9/88)
(93) 95.	CableAmerica	41,000	(1/89)
96.	Fanch Communications	41,000	(11/88)
97.	Acton Corp.	40,200	(11/88)
98.	Star Cable Associates	40,000	(12/88)
99.	Cable Holdings Inc.	36,200	(12/88)
100.	ParCable	35,210	(12/88)

( ) Rank last listing

Subscriber counts are provided by MSOs and systems to Cable Vision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 432 Park Avenue So., Suite 1010, New York, NY 10016.*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	455,643	(3/89)
2.	Orlando/Melbourne, FL	ATC	298,000	(2/89)
3.	San Diego, CA	Cox Cable	284,343	(3/88)
4.	Manhattan, NY	ATC	225,000	(12/88)
5.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
6.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
7.	Puget Sound, WA	Viacom	203,000	(6/88)
8.	Phoenix, AZ	Times Mirror	200,000	(10/88)
9.	Houston, TX	Warner	196,800	(1/89)
10.	Honolulu, HI	ATC	194,000	(3/88)
11.	Hartford/Plainville/Vernon, CT	United	172,289	(5/88)
12.	Wayne, NY	UA Cablesystems	169,953	(2/89)
13.	Chicago (suburbs), IL	Continental	168,000	(4/88)
14.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
15.	Cleveland (suburbs), OH	Cablevision Systems	164,353	(3/89)
16.	Cincinnati, OH	Warner	163,552	(1/89)
17.	Rochester, NY	ATC	163,000	(10/88)
18.	Cherry Hills, NJ	NYT	162,000	(1/89)
19.	Denver (suburbs), CO	United	161,002	(5/88)
20.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
21.	Fairfax, VA	Media General	157,000	(11/88)
22.	Tulsa, OK	United	153,954	(12/88)
23.	Connecticut Complex	Cablevision Systems	153,659	(3/89)
24.	Atlanta, GA	Prime Cable	153,557	(3/88)
25.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
26.	Kansas City, MO	ATC	147,000	(2/89)
27.	San Jose/Campbell, CA	Heritage	140,000	(1/89)
28.	Memphis/W. Memphis, TN	ATC	140,000	12/88)
29.	Charlotte, NC	ATC	139,000	(12/88)
30.	Pompano, FL	Continental	136,793	(2/89)
31.	Baltimore County, MD	Comcast	136,096	(6/88)
32.	Manhattan, NY	Paragon	136,000	(4/88)
33.	St. Louis, MO	Cencom	133,171	(2/89)
34.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
35.	San Diego, CA	ATC	132,000	(12/88)
36.	Martin/Stuart Co. FL	Centel	126,034	(1/89)
37.	San Francisco, CA	Viacom	123,000	(6/88)
38.	Seattle, WA	TCI	120,518	(1/89)
39.	Austin, TX	ATC	120,000	(12/88)
40.	Warren, NJ	TKR	116,174	(2/89)
41.	Toledo, OH	Blade Communications	108,861	(5/88)
42.	Dallas, TX	Heritage	107,680	(5/88)
43.	San Juan, PR	Multivision Cable	106,450	(12/88)
44.	Chicago Suburbs, IL	Centel	106,321	(1/89)
45.	Southeast Michigan	Comcast	104,803	(6/88)
46.	Raleigh/Durham, NC	ATC	104,000	(12/83)
47.	Grand Rapids, MI	UA Cablesystems	103,661	(6/88)
48.	Wilmington, DE	Heritage	103,255	(5/68)
49.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
50.	Pinellas County, FL	Newhouse	100,614	(6/88)
51.	Naples, FL	Palmer	100,321	(1/89)
52.	Boston, MA	Cablevision Systems	100,267	(3/89)
53.	Brooklyn/Queens, NY	Warner	100,000	(1/89)
54.	Richmond, VA	Continental	97,935	(1/89)
55.	Tacoma, WA	Viacom	99,000	(6/88)
56.	Indianapolis, IN	Comcast	97,790	(6/88)
57.	Pittsburgh	TCI	96,712	(1/89)
58.	Escondido, CA	Times Mirror	96,519	(4/88)
59.	Jackson, MS	ATC	96,000	(12/88)
60.	Dade/Broward County, FL	Storer	94,577	(5/88)
61.	Worcester Complex, MA	Greater Media	92,148	(12/88)
62.	Greensboro, NC	ATC	91,000	(12/88)
63.	Nashville, TN	Viacom	90,000	(6/88)
64.	Tampa, FL	Paragon	90,000	(10/88)
65.	Chicago, IL	Group W	89,500	(7/88)
66.	Milwaukee, WI	Warner	88,126	(5/88)
67.	Wichita, KS	Multimedia	87,351	(1/89)
68.	Las Vegas, NV	Prime Cable	86,852	(5/88)
69.	Orange County, CA	Times Mirror	86,607	(4/88)
70.	Dover/Morristown, NJ	Sammons	82,871	(5/88)
71.	Portland, OR	Rogers	82,587	(6/88)
72.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
73.	Fresno, CA	Continental	82,103	(12/88)
74.	Fayetteville, NC	ATC	82,000	(12/88)
75.	Orange County	Rogers	81,604	(1/89)
76.	South Bend, IN	Heritage	80,776	(5/88)
77.	Oakland County, MI	United	80,564	(5/88)
78.	New Orleans, LA	Cox Cable	80,348	(3/88)
79.	Indianapolis, IN	ATC	80,000	(12/88)
80.	Independence,MO	Jones	79,897	(11/88)
81.	Baton Rouge, LA	UA Cablesystems	79,586	(4/88)
82.	Albuquerque, NM	Jones Intercable	79,199	(10/88)
83.	Akron, OH	Warner	79,070	(5/88)
84.	Hillsborough, FL	Paragon	79,000	(4/88)
85.	Columbus, OH	Warner	78,454	(5/88)
86.	Allentown, PA	Service Electric	78,000	(12/88)
87.	St. Petersburg, FL	Paragon	78,000	(4/88)
88.	Medford Complex Boston Suburbs, MA	Warner	77,167	(5/88)
89.	South Texas, TX	Heritage	77,160	(5/88)
90.	Pleasant Hill, CA	WestMarc	73,692	(1/89)
91.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
92.	Omaha, NE	Cox Cable	73,361	(3/88)
93.	Flint, MI	Comcast	72,923	(6/88)
94.	Little Rock, AR	Storer	72,681	(5/88)
95.	Ocean County, NJ	Adelphia,	72,355	(3/88)
96.	W. San Fernando Va, CA	CV Industries	72,164	(2/89)
97.	Lincoln, RI	Heritage	71,625	(5/88)
98.	Santa Monica, CA	Century	71,000	(2/89)
99.	Oklahoma City, Ok.	Cox Cable	70,371	(3/89)
100.	Des Moines, IA	Heritage	70,148	(5/88)

NOTE

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CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

APRIL 10, 1989

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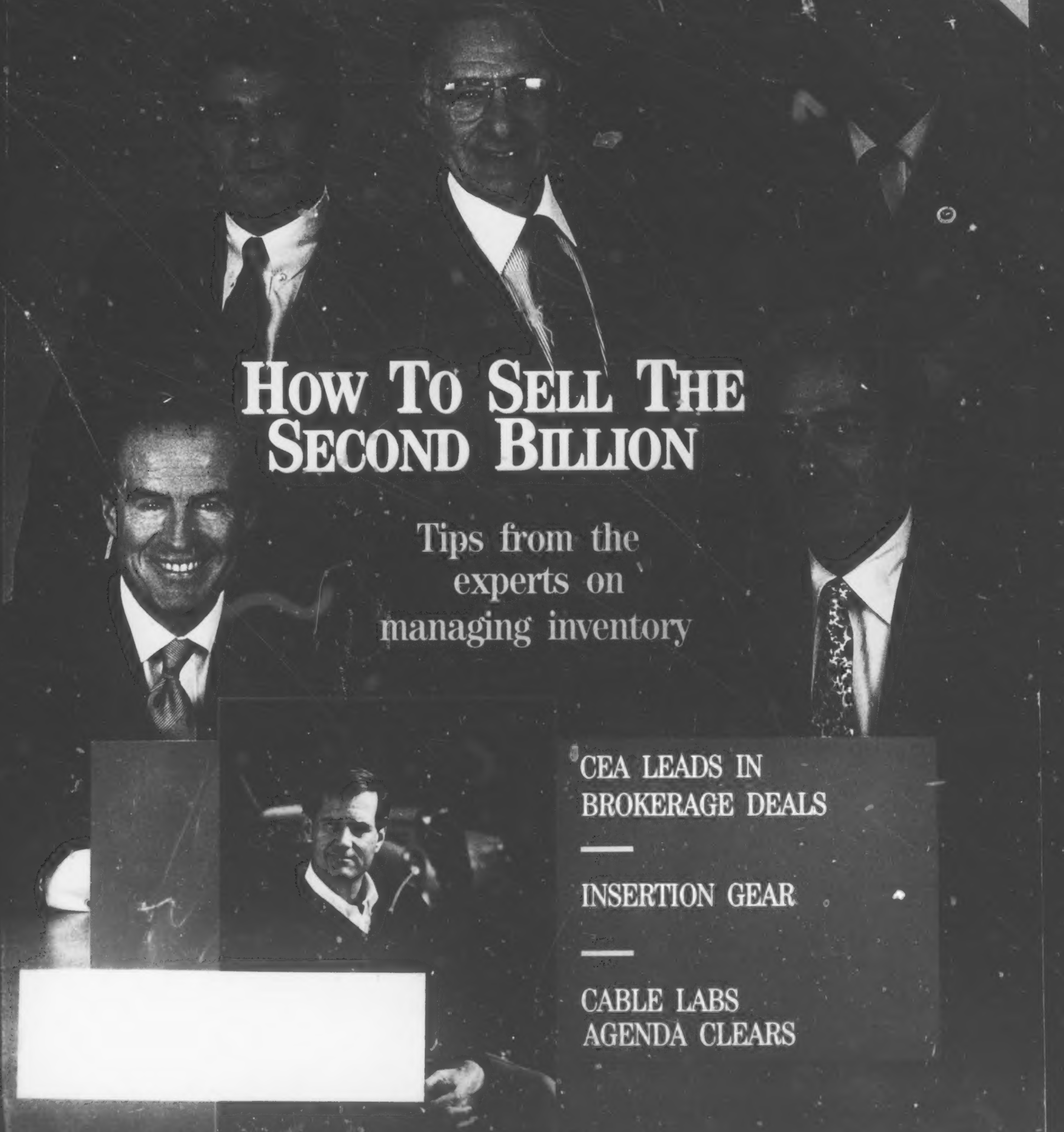

HOW TO SELL THE SECOND BILLION

Tips from the experts on managing inventory

CEA LEADS IN BROKERAGE DEALS

INSERTION GEAR

CABLE LABS AGENDA CLEARS

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT APRIL 10, 1989

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COVER PHOTOGRAPH

Insight from the pros on ad sales

Photo by Arnie Adler

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MONEY

Robust brokerage business tops $10 billion in activity

◆◆◆◆◆

By Craig Kuhl

Depending on whose playbook you're reading from, more than one cable broker could be crowned the 1988 national cable brokerage champion. One fact that can't be disputed, however, is the record year turned in by the cable brokerage business of more than $10 billion in '88 cable deals, slightly more than the approximately $10 billion in '87 deals.

The record year was highlighted by the mega-deals of SCI Holdings, American Cablesystems, Essex and others, and catapulted the cable brokerage segment into what most industry brokers are saying will be an even bigger 1989.

Communications Equity Chairman Rick Michaels, whose 43 deals led the field in '88

Many brokerage firms enjoyed their best years ever in 1988, with smaller brokerage firms moving into the $100 million range of brokered deals. "The cable brokerage business has never been healthier than it was in 1988," says Rick Michaels, chairman of Communications Equity Associates, the No. 1 brokerage company in brokered deals in '88 with 43 for a total of $961 million. CEA's business grew by roughly a third above the $629 million in brokered deals reported in 1987.

Daniels & Associates, which some maintain "slept" through 1988, was awake long enough to combine $546 million in brokered deals with $1.53 billion in financed deals into a $2.07 billion take, while Hardesty Puckett, with its role in the Storer deal comprising most of its reported total, put its brokered and financed deals at $1.55 billion. Waller Capital reported $923 million through 23 brokered deals, and $23 million in financed transactions. Waller's growth has been stunning, rising from $248 million in brokered deals in '86, to $415 million in '87 to the $923 million in '88.

The energetic year of 1988 saw the spectrum of cable's brokerage segment change dramatically, and witnessed the entry of yet another impact player—Wall Street, which according to Michaels "is the real king of cable brokering. I see them as an inspiration."

Morgan Stanley; Shearson Lehman; Citicorp, and other Wall Street

BROKER ACTIVITY '88

Company	Deals Brokered	$ Brokered	Deals Financed	$ Financed
Cable Investments Inc.	$ 29	1	$ 40	1
Charles Greene Associates	9	41	1	6
Clifton Gardiner & Associates	26	41	6	22
Coaxial Capital	13	204	0	0
Communications Equity Associates	43	961	13	333
Communications Financial Services	9	116	0	0
Communications Marketing Group	2	16	0	0
Daniels & Associates	45	546	14	1,533
Denver Group	7	65	6	47
Frank Boyle & Co.	4	13	0	0
Hardesty Puckett & Co.	24	90*	0	0
Jones Group	34	516	0	0
Martz Cable Associates	8	26	0	0
Pat Thompson	28	121	0	0
Pyms	19	30	0	0
Ritzel Communications	6	104	0	0
Waller Capital	23	923	N.A.	23

Dollar amounts in millions; Communications Resources Unlimited, Johnson, Crowley & Associates and JW Capital declined to provide information for this chart.

N.A. Information not available

*H-P, which represented one of the buyers of the Storer systems, says it should be credited in that sale. Including the Storer would put H-P's total at $1,555 billion.

giants awoke to find a lucrative business in cable transactions they wouldn't have touched just four years ago. While at the spectrum's other end, the smallest of cable brokers found competition from long-time industry leaders such as Daniels and CEA for systems as small as 300 subs.

The cable industry has been portrayed by some as resembling the cartoon that features a small fish being eaten by a larger one and that one being eaten by a larger one. and so on. The inevitable result is fewer bait shops, which in this case equates to cable brokerage firms, leading to drastic steps becoming possible within the brokerage segment in the next five years.

"We'll have to diversify. In fact, we already have," says Phil Hogue, president of Daniels. "The cable business is a collection of finite properties, and the pool is shrinking. We've already begun to ratchet-up our investment banking capacities and mobile communications, which now represent 25 percent of our revenues."

The consensus among cable brokers is that the consolidation of the industry will continue, eventually reducing the number of deals to be done, resulting in a major shakeout in the brokerage segment. But that shakeout, suggests Michaels, won't come as fast as some may think. "The economics of the business are such that the small brokers with low overhead can continue to do well. But companies such as Daniels and ourselves, with higher overhead, have to keep the volume up." The bottom line, says Michaels, is that competition will be greater for a smaller number of deals, "with transactions slowing down at some point."

Smaller brokers such as Pat Thompson (28 deals for $121 million); Pyms (19 deals for $30 million) Frank Boyle (4 for $13 million); Clifton Gardiner (26 for $41 million and 6 financed deals for $22 million); Charles Martz (8 for $26 million); CFS (9 for $116 million); Ritzel (6 for $104 million) and The Denver Group (7 brokered deals for $65 million and 6 financed deals for $47 million) all had outstanding years. Yet many of these small to mid-size brokers feel the need to diversify into other areas such as the mobile communications industry or broadcast and radio. Notes Thompson, "I have always felt my niche was the small, independent operator and I've

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CABLEVISION INDUSTRIES, INC.
of Liberty, New York

has acquired
two groups of cable television systems
serving 3,300 subscribers in Clewiston, Florida,
and serving 3,050 subscribers
in Colby and Oakley, Kansas,
and Trenton, Nebraska.

Robert G. Holman of
The Denver Group, Inc.
represented the sellers in this transaction.

THE
DENVER GROUP INC.
252 Clayton, Suite 300
Denver, CO 80206
(303) 399-5224

stayed with that. But the little, independently owned systems are selling out because of the high prices owners can get for them, forcing smaller brokers to diversify because of the dwindling number."

Pam Pyms, president of Pyms Cable Co., agrees. "Competition will drive brokers to diversify. Some brokers have already told me they're tired of running into five other brokers at a 500 subscriber system."

Coaxial President Bruce Falkenberg, however, sees diversification as a result of opportunity. "New opportunities are encouraging people to diversify, they're not necessarily being forced to," he states.

Tom Puckett, chairman of Hardesty Puckett, believes that diver-

New Ulm Tele-Vents, Inc.

has sold its assets to

Amzak Cable, Midwest, Inc.

The undersigned represented New Ulm Tele-Vents, Inc. in this transaction which resulted in the sale of 4,950 basic subscribers.

JW CAPITAL

Marc B. Weisberg
288 Clayton Street
Suite 302
Denver, CO 80206
303/355-1777

February 1989

1988 CABLE BROKERAGE DI

Cable Investments Inc.

System Location	Buyer
Currie, MN/Colman, SD	Corp. II
Brandon, MN/Mayville, ND	Midcontinent Cable
Fate, Royse City, TX	Buford TV
Bottineau, ND	Midcontinent Cable
Grand, MI/Breckenridge, MN	
Wahpeton, ND/Brookings, SD	WestMarc
Clover, SC	Jones
Culbertson, Poplar & Sconey, MT	Premiere Cable
Talco, TX	Cooke Cablevision

Clifton Gardiner & Associates

System Location	Buyer
Mackay, ID	Premiere Cable
S. Sioux City, NE	Jones
Spofford, NH	Schomann Ent.
Plymouth, VT	First Carolina
Lovilia, IA	Satcable Inc.
Trumann, AR	Douglas Comm.
Chillicothe, MO	Satcable Inc.
Oconee, IL	Illnois Triax
13 ID/UT systems	Premiere Cable
Montpelier, ID	Premiere Cable
Brianhead, UT	Premiere Cable
Pauls Valley, OK	Multimedia
Rison, AR	Douglas Comm.
Grapeland, TX	River Communications
Cook, MN	Star Midwest Inc.
Colorado Springs, CO	Colo Springs CV
Walnut Grove, MS	Vista Communications
Butler, AL	Vista Communications
Grove Hill, AL	Vista Communications
10 towns NE & SD	Central Nebraska Cable
Tularosa, MN	Scott Cable
Chapin, IL	Triax Midwest
Hinton, WV	Helicon
Uniontown, AL	Vista Communications
Hickory Flats, MS	Vista Communications
Jumping Branch, WV	Helicon

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sification is being driven by a more efficient cable brokering discipline. "We've already seen brokers diversify and we've made a commitment to paging, with projections of about $80-100 million in deals for 1989. Paging is exciting and is now where cable was 10 years ago. It's another arena for us, but we don't want paging to interface with our cable activity," he maintains.

Puckett, along with other cable brokers, sees a strong '89 and the continued churn of the 50,000-100,000 sub systems. He concedes, however, that those types of system transactions are dwindling, while another element is beginning to affect cable deals and their brokers—intercompany transactions. "As con-

AL-BY-DEAL BREAKDOWN

ler	Basic subs	Homes Passed
Gazers Inc.	1,150	2,300
ral Valley CV	4,166	7,172
Cable Partners	317	1,215
Kable Inc.	4,977	7,086
thern Comm. Assoc.	7,988	13,475
Twenty Corp.	640	1,762
mont CV	1,150	1,800
Cable Co.	120	350

Seller	Basic subs	Homes Passed
Satellite TV Inc	1,000	2,323
NE Nebraska Cablevision	4,600	6,733
Chesterfield CV	1,520	2,400
Salt Ash Images	740	890
South Central Cable	292	538
Falco Cablesystems	2,800	5,700
Livingston CV	1,050	1,574
Becks Cablesystems	334	594
Empire Communications	2,299	5,334
Lakeline Cable TV	668	980
Cable Systems Concepts	745	1,089
Valley Cablevision	3,060	4,500
Dean Hill Cable TV	820	1,200
Grapeland Cable TV	709	980
TM & W Cable	202	231
Comstar Corp.	1,130	1,130
Skyline TV Cable	802	1,220
Anco TV Cable	1,045	1,150
KBM Corp.	800	1,100
Telenational Communications	2,200	3,480
Otero Cable TV	1,030	1,150
Teleview Comm.	292	450
Hinton TV Corp.	1,459	1,865
Southern States Cable	580	1,000
HCH Inc.	500	675
Construction Unlimited	435	550

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March 1989

Weststar California
Comprised of certain affiliates of
Weststar Communications Inc.
Serving Half Moon Bay, Bishop, and other
California communities.

Has secured financing in the amounts of:

$23,000,000
Senior Secured Notes
$2,000,000
Senior Subordinated Notes
$9,750,000
Junior Subordinated Notes

Bruce Godfrey & Craig Johnson
privately placed these notes.

DANIELS
&ASSOCIATES

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Suite 500
Denver, Colorado 80209
303/778-5555

299 Park Avenue
New York, New York 10171
202/935-5900

Financial Services to the Cable Communications Industry.

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solidation takes place, we'll begin to see more of those type of transactions," Puckett said. "Those selling the smaller systems and moving up the ladder will make money, but there is an end in sight."

Just when "the end" will come, if ever, is anyone's guess. Charles Greene, president in change of his own company, admits that "seven years ago I thought the cable brokerage business would be good for about five years, and we had our best year ever in '88." What disturbs Greene, however, is the reluctance by some cable companies to return to the business. "Some who sold and wanted to get back in, for instance

$ 4,465,000

Thompson Cablevision, Inc.

$ 3,500,000
Senior Notes

$ 365,000
Subordinated Notes

$ 600,000
Common Stock

The undersigned structured the financing and privately placed the Notes and Common Stock

JW CAPITAL

Marc B. Weisberg
288 Clayton Street
Suite 302
Denver, CO 80206
303/355-1777

January 1989

Coaxial Capital

System Location	Buyer
Davis Monthan, AFB, AR	Cooks Cablevision
Bisbee, AZ	Post-Newsweek
Suburban Phoenix, AZ	UA
Chico, CA	Cooke Cablevision
Hilo, HA	Jones
Maui, HA	Western
Hawaii Kai/Oahu, HA	Western
Bayview, ID	Rock Associates
13 towns/KA	Cablevision Of Texas
Hurley, NM	Century
Scholls Landing, OR	Columbia Int.
Burns, CA	Cooke Cablevision
Forks, WA	Summit Comm.

Communications Equity Associates

System Location	Buyer
Various towns, VT	First Carolina
Various towns, CT/KA/NM/OK	Fanch
Various towns, LA	James Cable
Various towns, NM/TX	United Video CV
Philadelphia Naval Yard, PA	Surburban Cable TV
Jennings, FL	CV Industries
Plaquemine, LA	Better Cable Ent.
Rogers City, MI	Centel
Various towns, MN/WI	Star Midst Inc.
Broward City, FL	Jones
Various towns, MI	C4 Media
Various towns, TX	Post CV of Texas
Various towns, PA	Lenfest
Various towns, AL/AZ/CA/GA/NC	Insight
Various towns, TX	ATC
Dallas, TX	Heritage
Various towns, GA	Tele-Media
Okeechobee, FL	CV Industries
Various towns, TX	Eagle Cable
Various towns, TX	Eagle Cable
Atlanta, GA	James Cable
Atlanta, GA	Cox
Winchester, KY	Centel
Duarte, GA	KTS Corp.
Various towns, GA	James Cable
Tulsa, OK	Taft-Granite Sound
Various towns, TX	James Cable
Various towns, TX	Tele-Media
Various towns, VA	Venture Cable TV

Essex and C4 Media, haven't, and that disturbs me. A few years ago people like that said they'd get back in, and did."

Yet most brokers agree that the outlook for the cable brokerage business is full of dollar signs, at least for 1989. "We're still in a fixed universe, and remember, systems are still being built," says Jeff Figg, chief executive officer for the Jones Group, which did $516 million in brokered deals in '88, and recently acted on its own behalf in acquiring Centel Cable's suburban Chicago and central Illinois cable systems. "There's lots of fluidity in the market, and larger systems will spin off smaller systems."

As the consolidation process continues within the cable industry, some suggest that the bigger MSOs

Seller	Basic subs	Homes Passed
Cable Arizona	2,000	3,600
Carlton Signal Corp.	3,000	3,500
Columbia Southwest	2,000	2,700
Western	28,000	40,000
Comtec Inc.	13,250	20,000
Cooke Cablevision	15,000	25,000
Cooke Cablevision	8,000	9,000
Northwest CV	300	450
Kansas Cablevision	1,600	2,300
Hurley Cable TV	2,200	2,750
Northwest Sat. Network	200	200
Wander Telecommunications	5,000	6,100
Forks Telecable	2,000	2,500

Seller	Basic subs	Homes Passed
Gateway CV	5,957	8,000
Cable Systems Inc.	12,400	16,710
Louisiana CV	8,500	18,200
Plains Cable TV Co.	2,500	3,750
C&S Classic Cable	1,150	1,181
Jennings Cable	200	250
Bayou Cable TV	N.A.	6,200
Rogers City CV	1,250	2,150
North American Communications	56,000	84,455
Buford TV	33,000	69,000
Huron Township	100	992
Yaloo Cable Co.	1,510	2,189
Cable Associates	48,250	64,000
Masada	71,500	143,500
Masada	3,500	8,300
Gulf American	4,200	6,500
Rex Meyer	N.A.	800
Harte-Hanks Cable	7,500	10,850
Surety Comm.	620	1,133
RCKR Cable TV	1,005	2,215
Central GA Cable	2,400	N.A.
Central GA Cable	4,500	N.A.
WestMarc	31,800	34,400
Duarte Cable	3,100	N.A.
Gem Comm.	3,700	N.A.
Taft Comm.	N.A.	N.A.
East TX Cable Inc.	1,500	N.A.
Midwest Cable	2,350	N.A.
Adelphia	700	N.A.

This notice appears as a matter of record only.
January 1989

Citizen's Cable Inc.
Serving Colorado Springs, Colorado.

Has merged with

Colorado Springs Cablevision Inc.
A joint venture of ATC and
Century Communications Corp.

Sale represents 6,400 basic subscribers.

We assisted in the transaction.

DANIELS
&ASSOCIATES

3200 Cherry Creek South Drive
Suite 500
Denver, Colorado 80209
303/778-5555

299 Park Avenue
New York, New York 10171
202/935-5900

Financial Services to the Cable Communications Industry.

may begin to broker their own deals, a possibility that would lead to a dwindling in the brokerage business. Says Figg, "I can see MSOs having their own in-house brokers as they get bigger. We do it for ourselves because we want to find just the right system."

Allen Bowdach, president of Communications Marketing Group, which did two deals in '88 for $16 million, concurs. "If you sell to a large MSO, you have effectively taken the property off the market. There may be some in-house swaps requiring brokers, such as TCI and WestMarc, but no matter how well regarded you are as a cable broker, brokers will play a smaller role." Bowdach also says that Wall Street's presence in the cable brokerage segment will increase. "Publicly held companies want to be associated with them (Wall Street brokerage firms) because they'll bring a lot to a deal, but some say they don't address the pertinent details or the nuts and bolts side."

Although most cable brokers are understandably less than enamored with Wall Street's move onto their turf, some believe its involvement may be short-lived. "Wall Street will do well if there are mega-deals to be done, but I think the continuing rise in multiples will slow, making less of a demand for big deals," said Cliff Gardiner, president of Clifton Gardiner Associates. "Those deals take exotic financing and instant access to capital. I see the swing back to people who know cable."

Those people are, of course, cable brokers. John Waller, president of

Communications Financial Services Inc.

System Location	Buyer
High Point, NC	ATC
Lake County, FL	ATC
Sarasota/Manatee Counties, FL	Paragon/ATC
Lee/Collier Counties, FL	Palmer
Travis/Williams Counties, TX	ATC
Various IN/MI towns	Jones
Fort Wayne, IN	Jones
Carmel, IN	Jones
Southwest MI towns	Jones

Communications Marketing Group Inc.

System Location	Buyer
12 N. Central TX towns	James Cable
6 MO/ND towns	Midcontinent
Durant, OK	James Cable
Limon/Deer Trail, CO	Vantage Cable

The Denver Group

System Location	Buyer
Alachua/Chiefland, FL	James Cable
Madison, MS	ATC
Grubbs/Swifton, AR	Douglas
Oscoda, MI	Tele-Media
Cocoa Beach/Cape Canaveral, FL	ATC
Flagler Beach/Bunnell, FL	ATC
Norman, AR	Douglas

Frank Boyle & Co.

Syetem Location	Buyer
S. MI towns	Southern Cable
Cook/DuPage Counties, IL	Cablevision Systems
Bainbridge, NY	Bambridge Cable
Winter City, FL	CV Industries

JC&A

SOLD

Columbia Associates, LP

has sold the cable television system serving 2,625 subscribers in Greer, South Carolina to:

Cencom Cable Associates, Inc.

The undersigned represented the seller in this transaction.

Johnson, Crowley & Associates, Inc.
2940 One First Union Center
Charlotte, North Carolina 28202
Phone 704.342.9610

Seller	Basic subs	Homes Passed
CV Industries	500	1,800
Crystal CV	585	1,900
Crystal CV	3,025	8,300
Crystal CV	1,400	2,350
CCI	1,100	1,900
Omega	33,000	48,100
Blufton/Decatur/DeKalb Cable	9,500	15,000
Accucable	11,650	16,500
Cable TV Of Constantine/ Omega	11,925	17,750

Seller	Basic subs	Homes Passed
Decatur Cable TV	8,500	14,200
Midwest Cable TV	1,000	1,632
Durant Cablevision	5,200	7,400
WestMarc	950	1,256

Seller	Basic subs	Homes Passed
N. Central FL CV	6,400	9,400
Norriscable One	1,150	2,460
TCA	466	660
Rock Associates	8,000	11,200
Southland Corp.	11,000	28,015
M. Metcalf	2,200	3,350
TCA	150	230

Seller	Basic subs	Homes Passed
Total Management	6,000	12,000
JDC Inc.	1,500	2,500
Bainbridge Video	1,500	3,000
Quality Satellite	150	650

Waller Capital, feels Wall Street "will always be a wild card player. They've done a great job in the deals they've done, but I just don't think they have the specialization cable brokers do. Their involvement will always be a fact of life, however."

Hugh McCulloh, one of the many cable brokers who have spun off from larger cable firms to start their own business, senses fewer blockbuster deals in the future, with competition driving down commissions. "The industry is far more sophisticated in its financial structure, especially with taxes. And the

This notice appears as a matter of record only.
March 1989

Weststar Communications I
A limited partnership managed by
Weststar Communications Inc.
Serving Truckee, Calif., and various Northern Idaho communities.

Has secured financing in the amount of:

$22,000,000
Senior Secured Revolving Credit Line

Bruce Godfrey & Craig Johnson
arranged the financing.

DANIELS
&ASSOCIATES

3200 Cherry Creek South Drive
Suite 500
Denver, Colorado 80209
303/778-5555

299 Park Avenue
New York, New York 10171
202/935-5900

Financial Services to the Cable Communications Industry.

competition is driving down commission fees. There may be five brokers representing a buyer, with only one making a fee. Because of these factors, we've found investment banking to be an avenue of opportunity for us, so we are beefing up that side of the business," McCulloh says.

As competition heats up for fewer deals, mergers within the cable brokerage segment invariably will be discussed. Yet most brokers say mergers are not inherent to this segment of the cable industry because of its fiercely independent nature and relationship-driven approach. "The industry will obviously become more and more competitive, requiring more skilled people. The question is, can smaller firms retain their credibility in a competitive market and retain good people?" asks Hogue of Daniels. "And would a merger correct territorial weaknesses while acquiring another expertise?"

Michaels believes it's possible, but only on a small scale. "The cable landscape may see a few (mergers among brokers), but I don't see what benefit that would have, unless it's to take out a competitor. Big through mergers isn't necessarily the best."

Several brokers feel comfortable in the position they hold now, and feel the cable brokerage business will perk along nicely for the next five years or so, but at an accelerated pace in competition for a fewer number of smaller deals. "I think a shakeout is imminent and that the marginal brokers will begin to disappear," comments Charles Martz, president of Martz Cable Associates. "The larger deals will

Daniels & Associates

System Location	Buyer
Plainview, MN	Mark Twain Cable
Various cities, MN	Mark Twain Cable
Wabasha, MN	Mark Twain Cable
Crimera, VA	Alleghany
Elkton, VA	Adelphia
Weyers Cove, VA	Alleghany
Ventura, CA	Jones
Placer City, CA	Jones
Borngh, PA	Cable Systems USA
Waterford, OH	Charter Cable
Ness City, KS	Universal Cable
Manchester, TN	Daniels
Reform, AL	ALA Cable Partners
Shelbyville, TN	Daniels
Various towns, IA/MN	Triax
El Monte, CA	360 Corp.
Southgage, CA	360 Corp.
La Porte, IN	Prime Cable
Urbana, OH	Warner Cable
Coal Run, OH	Charles Cable
Greene City, VA	C4 Media
Shaver Lake, CA	Westar Comm.
Atlanta, MI	Northwood Cable
Various states	UA Cablesystems
Quincy, WA	Pacific San CV
Inman, SC	Telecable
Colorado City, CO	Heritage
Various towns, Puerto Rico	TCI
Port Angeles, WA	Various
Rusk, TX	Galaxy Cable
Pomorey, WA	Cooke Cablevision
Saratoga, WY	James Cable
Waitsburg, WA	Cooke Cablevision
Helix, OR	Cooke Cablevision
Thumb Of Michigan, MI	Harron
Canadian Lakes, MI	WestMarc
Shippenville, PA	Helicon
Weippe, ID	WestMarc
Boise City, OK	Mission Cable
Hooker, OK	Mission Cable
Kirkwood, CA	Weststar
Le Grand, CA	UA Cablesystems
Los Alamos, CA	Falcon
NW Phoenix, AZ	Insight
Sun City, AZ	Republic Cable

Martz Cable Associates

System Location	Buyer
Belton, SC	Wizard Cable
Mt. Sterling, OH	Cooney Cable/Naragansett
Stewardson/Strasburg, IL	United Cable
Louisville/Windsor, IL	United Cable
Riverview, IL	Triax
St. Mary's, GA	U.S. Cable
Riverside, OH	Times Mirror
Dansville, NY	Cooney Cable

JC&A

ACQUIRED

Falcon Cable TV
and its affiliates
Have acquired the assets of
Flora Cable TV
and its affiliates
Serving approximately 11,300 basic subscribers.

The undersigned represented the buyer in this transaction

CHARLES F. ARMSTRONG

Johnson, Crowley & Associates, Inc.
2940 One First Union Center
Charlotte, North Carolina 28202
Phone 704.342.9610

This notice appears as a matter of record only

be done by Wall Street, Daniels, Waller and CEA." Marta also sees the demise of the "mail order" brokers. "Intelligent sellers won't listen to them," he maintains.

Gerry Zimmerman, president of Communications Financial Services says he updates his data on independent cable systems each month and has found that the window of opportunity for these systems is slowly closing. "What's happening is that the buying community has been reduced and the number of properties available has shrunk. Consolidation is definitely happen-

Seller	Basic subs	Homes Passed
City Cable/Plainview	700	1,225
Westel 1984 Ltd.	6,700	N.A.
City Cable of Wabash	1,000	1,375
Sitter Audia	1,186	1,501
Earl Judy	4,734	6,175
Sitter Audia	1,186	1,501
Ray Stone	415	1,000
Hanson/Iacopi	7,600	13,000
Mike Kelley	1,200	1,400
Glen Miller	2,225	2,470
Midway Cable TV	1,734	2,158
TCI	3,130	4,590
Roth Hooks	7,545	12,072
TCI	3,420	5,742
Farm Bureau Ins	24,000	32,300
Group W	4,563	24,884
Group W	5,124	25,729
Klungness/Henry	20,000	32,000
ACI	14,050	17,725
Walt Schaad	730	810
Comm. Shareholders	1,140	1,900
Leonard Wasser	863	1,100
G. Pancer & Partners	900	1,900
Daniels	380,000	N.A.
J. Lieback	2,358	3,300
US Cable	6,300	17,500
G. MacCormack	403	900
Cable International	38,500	56,000
N.A.	12,400	15,850
EH Whitehead	1,250	1,700
Pomorey Cable	697	710
G. McIlvain	1,200	1,625
Waitsburg TV Cable	825	900
G. Fetterly	696	900
Germaine/Christano	8,445	17,050
Norm Browning	N.A.	N.A.
P. Steele	1,510	1,650
Chambers Cable	3,100	6,100
Microcom Inc.	700	750
Hooker TV Cable	650	715
Kirkwood Cable Co.	500	750
Apollo Cablevision	117	400
Apollo Cablevision	249	350
Dickenson Comm.	10	250
Dickenson Comm.	500	4,600

Seller	Basic subs	Homes Passed
Acton	4,400	9,487
Mt. Sterling Cablevision	637	1,600
Country Cable TV	330	530
Clay County Cable TV	1,210	1,830
Riverview Comm.	1,135	1,855
Kings Bay CV	2,200	N.A.
Hanover Cable TV	1,175	1,500
Bradley Cable TV	3,500	3,800

This notice appears as a matter of record only.
February 1989

Joseph S. Gans Inc.
and Affiliated Companies

Providing cable service in Pennsylvania,
New York and Arizona.

Has secured financing in the amount of:

$28,000,000
Revolving Credit and Term Loan

NCNB National Bank of North Carolina

Greg Ainsworth initiated the transaction
and served as financial advisor.

DANIELS
&ASSOCIATES

3200 Cherry Creek South Drive
Suite 500
Denver, Colorado 80209
303/778-5555

299 Park Avenue
New York, New York 10171
202/935-5900

Financial Services to the Cable Communications Industry.

The $6 billion man

Rick Michaels likes to think of his company, Communications Equity Associates, as flying the skull and crossbones, reminiscent of his days as the first American on the British pirate radio station, Radio City. And there are those who he competed with in the cable brokerage business who probably think he should still be flying it.

Catching up with Michaels at his house in Park City, Utah, during a ski vacation was a little like putting mercury in a bottle. The congenial Michaels, who started CEA from his New Jersey apartment in 1973, has been hop-scotching the globe while taking the cable industry's pulse, looking for that next blockbuster deal or visiting a small system in rural America.

Under Michaels' guidance, CEA was the leading cable brokerage firm in 1988, involved in 43 system deals worth $961 million, and has done more than $6 billion in media transactions the past 10 years.

"My philosophy is that, above all, we are client-oriented, not transaction-oriented," Michaels says. "We want good, solid, long-term business. That's why CEA is organized on a teamwork basis, with all of our employees salaried. We see ourselves as a cross between an old line law firm and a Wall Street banker," he says.

The 45-year-old Michaels was an original employee of TM Communications, the cable subsidiary of the Times Mirror Company, which eventually led him, at age 28, to the founding of CEA.

Married for 19 years to Austrian-born Inge, and with a 14-year-old daughter, Kimberly, Michaels has fallen for fox hunting as an avocation. "I took up riding at 40 years old, and immediately broke some bones while riding in Ireland." Kimberly is an established equestrian, and both are avid skiers, although Michaels admits he's "smart enough to know I'm not 14 years old on the slopes."

Michaels has been the subject of several stories in various national publications, and at one time was on the editorial side. "I think what I enjoy most is being a closet writer,"admits Michaels. "In the early '70s, I wrote several articles under the heading of "The Observer" and satirized people in business for trade publications. Oddly enough, I took on all of the brokers, too."

And he still is.

—Craig Kuhl

This announcement appears as a matter of record only.

MAXTEL CABLEVISION

The largest national operator
of private cable systems for multi-
tenant residential properties in America,
serving in excess of 200 communities nationwide,
has obtained a senior and subordinated credit
facility in the amount of

$21,500,000 Revolving Credit Loan

and

$5,000,000 Term Loan

The undersigned initiated the transaction, served as
financial advisor to Maxtel Associates Limited
Partnership and participated in the negotiations.

MALARKEY-TAYLOR INVESTMENTS
A DIVISION OF MALARKEY-TAYLOR ASSOCIATES, INC.

1130 Connecticut Avenue, NW Suite 700 Washington, DC 20036
Telephone (202) 835-7800 Facsimile (202) 835-7811

ing, and has accelerated the past two years. But that's the trend. Now, 80 percent of the subs are controlled by 10 percent of the MSOs, and once they become operators, they're in it (for the long term). In the past, systems would come back on the market. Now, prices are prohibitive to those buyers."

However, with a growing overseas market, diversification into the expanding mobile communications industry, including the paging and cellular markets, along with continued opportunities in radio and broadcast, and even publishing, the outlook for the cable brokerage discipline is indeed encouraging. Just how long that outlook lasts will depend on whose playbook you're reading. ■

Financial/Stocks

• **New York's** state senate has rejected a plan to impose a cable subscriber sales tax. The proposal by Gov. Mario Cuomo would have forced cable customers to pay a six to eight percent annual tax on their subscriptions, with the exact rate determined by the county where they reside. Cuomo advocated the idea, along with other new taxes, in an effort to close a projected $2.4 billion state budget gap for 1989. State operators objected to the tax and were in the process of waging a campaign among subscribers urging its defeat. Efforts to pass new cable tax legislation continues in Connecticut, Massachusetts and other states.

• **Phoenix American's** leasing division will put together a $25 million limited partnership for investments in lease and debt financing to cable system operators and emerging growth companies. Known as the High Tech/High Yield fund, the venture is designed to help out acquisitions, construction, upgrading or refinancing of cable properties, and provide similar services for growth firms backed by venture capital organizations. The fund also may invest in high-tech equipment leasing through relationships with

Hardesty, Puckett & Co.

System Location	Buyer
Various areas served by Storer Cable	Comcast portion
Pleasonton/Mound City, KS	WK Communications
Various cities, NE	Cable USA
Various areas, AR/AZ/KA	Stock transaction
Goldendale, WA	Sun Country Cable
Various cities, ID/UT	Premier Cable
Kansas City area, KA	Douglas
Rancho Santa Fe, CA	Times Mirror
Milan, MO	Falcon
Dill City, OK	Mission Cable
Vilonia, AR	Falcon
Various cities, NE AR	Douglas
Kansas City area, KA/MO	WQ Media Inc.
Oceanside, CA	Times Mirror
Pocono Mts., PA	Blue Ridge Cable
Various areas, SE MD	Douglas
Various areas, MA/NH/VT	Showcase CV
San Diego County, CA	Cox Cable
San Franscisco, CA	Gulf American
Jessup, GA/McIntosh, Camden & Wayne Counties, GA	Bresnan
Tekonsha, MI	Communications & Cablevision Inc.
Yavapai County, AZ	Cox Cable
Various areas, OK	River Comm.
Galveston, TX	Star Cable

Pat Thompson Co.

System Location	Buyer
Fayette, MA	ACI/Vince King
Freedom, WI	ATC
Birnamwood, WI	Leonard
System N.A., WI	Leonard
Las Vegas, NV	Laurel Cablevision
Baudette, MN	Sjobergs Cable TV
McConnelsville, OH	Charter Cable
Hayward/Washburn, WI	WestMarc
Kandiyohi, MN	Heritage
Waches, WA	Sun Country Cable
Various cities, OR	Columbia
N. Bainbridge Is., WA	Northland
Various cities, AR/MS	Douglas
Rainier, OR	Sun Country Cable
Belen, NM	Sun Country Cable
Wrightstown, WI	ATC
Ekalaka, MT	Mid-Rivers Telephone Coop
London, AR	CV Of Texas
Bay City/Pepin, WI	Leonard
Falls City, OR	Falcon
Alma/Buffalo/Cochrane, WI	Leonard
Gillett/Coleman/Pound, WI	Leonard
Concrete/Hamilton, WA	Summit
Various cities, WI	Leonard/David Walsh/Star Cable Midwest/Ingersoll
McLaughlin, SD/Selfridge, ND	Midcontinent
South Heart, ND	Midcontinent
Rhame, ND	Midcontinent
Murray City, OH	Charter Cable

FEBRUARY, 1989
This notice appears as a matter of record only

SOLD

CACHE CABLEVISION COMPANY

SERVING CACHE AND INDIAHOMA, OKLAHOMA
TO
MISSION CABLE COMPANY, L.P.

Rex Miller Represented the Seller

CLIFTON GARDINER
& ASSOCIATES INC
Communications Brokers
433 Park Point Drive Golden, Colorado 80401 (303) 526-1458

S eller	Basic subs	Homes Passed
S torer	1,500,000	N.A.
A mron Cable Inc.	800	N.A.
C mniview	10,200	N.A.
E mpire Comm.	18,000	N.A.
C oldendale CV	1,200	N.A.
C able TV of Soda Springs	2,400	N.A.
S uburban Cable	1,600	N.A.
U ltronics	N.A.	1,200
M ilan Cable TV	240	900
S ill City Cable Co.	450	800
E agle Cable	225	450
A rkansas CV	1,400	2,100
F irst Cable & Land	1,350	2,700
U ltronics	2,000	N.A.
S howcase CV	1,700	3,237
S sson Video	509	970
F ull View Inc.	2,100	N.A.
C alvideo	3,800	6,500
P remiere Comm. Net.	4,925	9,750
M icrowave TV Inc.	5,800	7,900
T ekonsha CV Of Michigan	N.A.	N.A.
H ickman CATV/Yarnell CATV	800	N.A.
V encor Inc.	1,250	2,100
S howcase CV	2,400	7,589

S eller	Basic subs	Homes Passed
A ction Comm.	1,340	2,730
S aring Cable	330	600
B irnamwood Cable TV	230	495
M ilestone Comm.	1,420	3,500
M isco Cable TV	5,000	14,366
B order Area Cable TV	776	1,050
B raggs TV Cable	1,600	1,800
C able TV Of Hayward	1,530	2,480
K avanagh Cable	303	500
U pper Valley Cable	638	1,225
T idel Communications	39,000	75,000
K itsap Trooper Cable	685	1,200
A rkavision Cable TV	1,600	4,885
R ainier Community TV	775	873
B elen Cablevision	1,500	4,600
N orth Central Cable	425	807
E kalaka Cablevision Inc.	123	265
L ondon Cable TV	227	400
P epin Telco Cable	270	700
G ood Cable Corp.	197	350
S ight & Sounds CV	730	850
N orthern Cable TV	455	750
C oncrete Cable TV	750	900
N orth Central Cable	658	1,338
C & J Cable	941	1,413
B adlands Cable	53	82
R hame Cable TV	63	100
A yers Store & Cable TV	220	285

This notice appears as a matter of record only

MEDIA CRU BROKERS

SOLD

ATRA CABLEVISION, INC.

SERVING CHOUTEAU & INOLA, OKLA.

TO

MISSION CABLE CO. L. P.

Seller was represented by the undersigned

Communication Resources Unlimited, Inc.

3727 E. 31st St. Tulsa, OK 74135

918-743-8300 TOM BELCHER, President

This notice appears as a matter of record only.

January, 1989

CENTURY COMMUNICATIONS CORPORATION

has acquired

MICKELSON MEDIA, INC.

passing approximately 36,000 homes and serving approximately 27,000 basic subscribers in various communities in New Mexico, Florida and Idaho

The undersigned initiated this transaction, served as financial advisor to Mickelson Media, Inc. and assisted in the negotiations.

WALLER CAPITAL CORPORATION

Andrew J. Armstrong, Jr.
Senior Vice President

30 Rockefeller Plaza
Suite 4350
New York, NY 10112
(212) 632-3600

BEST COPY AVAILABLE

established manufacturers. Unit size is $1,000 with a $25,000 minimum investment; the offering has been registered with the Securities & Exchange Commission for an 11-year term. Another Phoenix subsidiary will fund a $4 million subordinate loan to River Communications for the acquisition and expansion of cable systems in Arkansas, Oklahoma and Texas. Manufacturers Hanover was the deal's senior lender. River, based in Austin, Texas, has more than 18,000 subscribers.

- **Anadigics Inc.** has obtained $9 million in new equity financing from Metropolitan Life, Smith Barney, Fairfield Venture Partners, Canaan Venture Partners, Alan Patricoff Associates, Alex Brown & Sons, Philadelphia Ventures, Memorial Drive Trust and Thomson-CSF Ventures. Anadigics supplies fiber optic components for cable and other wideband communication mediums.

- **Home Shopping Network** completed the first half of its fiscal 1989 year on several positive notes. Sales during second quarter 1989 (ending Feb. 28) reached $207.6 million, up 8 percent from $192.8 million the previous year. Net income increased to $6.2 million from $5.2 million in 1988. So far, HSN has accumulated $17 million in net income and $408.1 million in sales for 1989, compared with $8.2 million in net income and $192.7 million in sales a year ago.

- Product sales at **Texscan** increased 28 percent over the three-month period ending Jan. 31. Sales revenues finished at $11 million, up from $8.6 million for the similar period last year. However, net income dropped to $278,000 from $1.3 million the year before. Higher interest and restructuring expenses were principal factors behind the net decline.

Pyms Cable Brokerage

System Location	Buyer
Buxton, Hollis, Limerick, Waterboro & Standish, MA	United Video CV
Railer Park/Pueblo Co., CO	TCI
Kron/Silver Lake, IN	Sammons
Freeport, FL	Warner Cable
Goodwell, OK	Fanch
Coachella Valley, CA	Calavision
New Palestine, other areas, IN	Insight
Troy, IN	Tele-Media
Riendsville/Greenback/ Loudon Co., TN	C4 Media
Erick, OK	Mission Cable
Greenville, Baileyton, TN	C4 Media
Marrowbone, KY	Tele-Media
Manzanola/Swink, CO	Heritage
Carrizozo, NM	Simmons
Logan, NM	Fanch
Layton, AL	Vista Comm.
Redkine Lodge, KS	Multimedia

Waller Capital

System Location	Buyer
Various towns, AL/FL/MS/NC/TN	U.S. Cable
Prince George's Co., MD	ML Media
Various towns, IL/KN/KY/LA/ MO/NC/OK/TN	ML Media
Yuma, AZ/EL Centro, CA	Century
St. Croix Valley, MN	King Videocable
Various towns, CO/NE/OK/TX	ML Media
Asbury Park, NJ	Sutton Capital
Various towns, AL/KY/TN	James Cable
Gary, IN	TCI
Various towns, MS	Susquehanna
Greenwood, MS	Century
Carthage, TX	Falcon
Shamokin, PA/other PA	Service Electric
Various towns, NY/PA	Cooney Cable
Chatsworth, GA	C4 Media
Roxboro, NC	Helicon
Winder/Barrow City, GA	Summit
Arnetsville, WV	Century
Various cities, GA	TCI
Stanley/Lafayette, WI	Star Cablevision
Various towns, ME	Vista/Narragansett Capital
Monticello, MS	Vista

PYMS

PYMS CABLE BROKERAGE, INC.

SOLD

The cable television assets of Preferred Cable Systems serving Vandalia, Elsberry, Belle, Bland, Owensville, Noel and Southwest City, Missouri and Sulphur Springs, Arkansas to Falcon/Capital Cable Partners, L.P. This sale represents over 3,400 basic subscribers. Judy Bershof represented the seller in this transaction.

PYMS CABLE BROKERAGE, INC.
Pamela A. Pyms, President
222 Milwaukee Street, Suite 302
Denver, Colorado 80206
(303) 388-8168
Fax: 388-9057

This notice appears as a matter of record only. February 1989

• **Joyce Communications** recently obtained an $800,000 convertible debenture from Communications Equity Associates. The debenture will be used to provide working capital for Joyce, an MSO based in Ft. Myers, Fla.

• **Arts & Entertainment Network** donated $25,000 to the American Red Cross' Armenian Relief Fund last month. A&E's donation was made in conjunction with a concert special cablecast last December which helped raise funds for victims of the Armenia earthquake.

Acquisitions

• **ATC** will take over seven franchises in the Raleigh/Durham, N.C.,

Seller	Basic subs	Homes Passed
Saco River T&T	3,965	7,423
J&T Cable	198	300
Valley Cablevision	225	500
Freeport Cablevision	130	432
Cable TV Of Goodwell	375	425
GWP Inc.	1,500	1,800
Central In Comm.	2,700	4,384
JMCI Cable Co.	127	
		200
Twin Lakes Cable	700	1,000
Crawford Cable	520	600
County Cable	2,500	3,600
Marrow Comm. TV	370	387
J&T Cable	325	520
Carrizozo Cable	335	475
Logan Cable TV	360	500
Clayton Cablevision	300	500
South Central Comm.	100	150

Seller	Basic subs	Homes Passed
Essex	135,000	210,000
Prime Cable	71,300	128,000
C4 Media	74,000	117,000
Adam Corp.	41,300	70,000
Coaxial Associates	17,600	35,000
Universal Cable	21,000	31,000
Harte-Hanks Cable	10,000	16,000
Paradigm	13,822	18,000
Gary Communications	11,000	35,000
Helicon	12,000	19,000
Community TV System	8,300	10,000
Carthage Comm.	7,400	12,800
Eastern PA Relay	9,750	11,000
El-Mar Comm./Tioga	6,650	7,225
Chatsworth Cable	3,500	4,700
Roxboro Cablevision	3,400	4,680
OCB Cablevision	2,100	3,300
Mountaineer CV	2,275	2,500
Peachtree Cable TV	2,150	3,500
Butler/Cooney CATV	2,000	3,185
Cooney Cable	1,275	1,800
Channel Z CATV	570	735

This announcement appears as a matter of record only.

$32,000,000

Cencom of Greer, Inc.

Senior Bridge Facility for the acquisition
of Lenoir TV Cable, Inc.

Financing provided by:

MARINE MIDLAND BANK, N.A.

MARINE MIDLAND BANK, N.A.
Communications/Media Department
140 Broadway, New York, NY 10015
[212] 908-6652

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Cable Network Ad Performance

Jan. 1989 billings	Jan. 1988 billings	Year-to-year dollar change	Year-to-year percent change
$58,766,600	$46,262,300	$12,504,300	21.0%

Top 10 cable net sponsors/1988

	Sponsor	1988 billings	1987 billings	% change
1.	Procter & Gamble	$30,201,826	$23,713,272	27.4
2.	Philip Morris	23,071,137	20,581,730	12.1
3.	Anheuser-Busch	21,396,567	22,943,379	-6.7
4.	Time Inc.	21,150,804	16,411,682	28.9
5.	General Mills	20,010,834	18,580,934	7.7
6.	RJR Nabisco	14,251,880	14,688,479	-3.0
7.	Eastman Kodak	11,008,594	2,553,379	331.1
8.	Clorox	10,125,391	6,894,140	46.9
9.	Mars Inc.	9,994,818	14,876,662	-32.8
10.	Chrysler	9,523,877	6,130,316	55.4

Top 10 cable net sponsors/4th Quarter 1988

1.	Procter & Gamble	$8,485,045
2.	Time Inc.	8,026,496
3.	Anheuser-Busch	6,611,476
4.	General Mills	6,312,688
5.	RJR Nabisco	4,753,834
6.	Philip Morris	$4,257,401
7.	General Motors	4,205,537
8.	Levi Strauss	3,134,590
9.	Chrysler	2,700,871
10.	Ralston Purina	2,508,833

Source: Broadcast Advertising Reports data; figures represent combined billings of CBN, CNN, ESPN, MTV, USA and Superstation TBS

	4th Qtr. 1988 billings	4th Qtr. 1987 billings	Year-to-year dollar change	Year-to-year percent change
CBN	$20,599,293	$16,292,732	$ 4,306,561	20.9%
CNN	33,460,328	25,902,483	7,557,845	22.5%
ESPN	56,450,570	42,527,282	13,923,289	24.6%
MTV	24,802,633	18,861,290	5,941,343	23.9%
TBS	62,304,946	42,939,328	19,365,618	31.0%
USA	35,861,583	22,781,647	13,079,936	36.4%

Source: Broadcast Advertising Reports data

Subscriber Universe Estimates

	Total TV households	Cable TV households	Homes passed	Cable percent of TV households
A.C. Nielsen	90,400,000	49,537,730	N.A.	54.8%
Arbitron	90,000,100	46,627,100	N.A.	52.5%
Paul Kagan Associates	89,000,000	45,900,000	76,900,000	51.1%

Subscriber numbers as of Feb. 1989
Nielsen figures include Alaska & Hawaii

CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	387	9,000,000
Alternate View Network	250	4,000,000
Arts & Entertainment Network (A&E)	3,000	38,000,000
Black Entertainment Television	1,800	21,197,000
Cable News Network	11,860	49,565,000
Cable Value Network	1,850	21,000,000
CBN Family Channel	8,303	43,769,000
C-SPAN	3,100	41,500,000
C-SPAN II	575	16,500,000
Country Music Television	862	8,000,000
The Discovery Channel	4,643	37,627,000
Eco	300	1,000,000
ESPN	9,500	50,132,000
Eternal Word Television Network	490	10,800,000
Family Guide Network	60	4,500,000
FamilyNet	54	1,200,000
The Fashion Channel	650	10,100,000
Financial News Network	3,500	33,000,000
FNN/Score	1,600	19,800,000
FNN/TelShop	1,350	14,800,000
Headline News	3,410	34,911,000
Home Shopping Network	1,441	16,541,455
Home Shopping Network II	358	6,271,672
The Inspirational Network	920	10,000,000
International Television Network	56	7,868,900
KTVT	417	3,600,000
The Learning Channel	990	15,100,000
Lifetime	3,800	41,728,000
Mind Extension University	84	2,200,000
MTV	5,220	44,433,000
Movietime	342	11,500,000
The Nashville Network	7,741	43,211,000
National College Television	147	5,800,000
Network 1 USOA	N.A.	N.A.
Nick At Nite	3,395	39,600,000
Nickelodeon	6,485	43,679,000
The Nostalgia Channel	305	4,000,000
Prevue Guide	394	9,800,000
QVC Network	1,033	13,700,000
RFD TV	30	2,182,190
Shop Television Network	119	5,100,000
Silent Network	404	12,300,000
SportsChannel America*	N.A.	1,500,000
Superstation TBS	9,426	47,943,000
Telemundo**	5	100,000
TNT	1,512	23,000,000
The Travel Channel	400	11,000,000
Trinity Broadcasting Network	725	9,100,000
Univision**	466	4,719,000
USA Network	10,100	46,433,000
VH-1	2,300	30,000,000
Vision Interfaith Satellite Network	315	6,200,000
The Weather Channel	3,600	37,101,000
WGN-TV	11,415	24,900,000
WWOR-TV	2,600	12,500,000
WPIX-TV	858	9,678,474

Bonus/basic services		
American Movie Classics	700	15,500,000
Bravo	375	2,000,000

Pay services		
American Exxxtasy	35	27,000
Cinemax	3,650	5,700,000
The Disney Channel	5,000	4,000,000
Home Box Office	7,400	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	526	470,000
Showtime	6,000	6,300,000

Audio services		
Cable Radio Network	49	1,556,736
Galatic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,578,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services		
AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000

Computer services		
DBC/MarketWatch	462	9,200,000
X*Press Executive	457	14,000
X*Press X*Change	457	14,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Consumer Classified Ad Network	3	195,000
Fuji Network	3	12,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Pay services		
Nippon Golden Network	5	13,600

Interactive services

Basic services	Affiliates	Subscribers
Telaction	4	30,000
Video Jukebox Network	10	340,000

Regional services

Basic services	Affiliates	Subscribers
Arizona Sports Programming Network	N.A.	210,000
Atlanta Interfaith	7	180,000
Bay Area Religious Channel	6	113,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,200,000
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,300,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	594,000
Niagara Frontier Sports Network	13	800,000
Northwest Cable Sports Network	3	700,000
Pennarama	28	750,000
Prime Cable	9	381,938
Prime Sports Network	N.A.	250,000
Prime Ticket	94	3,000,000
SportsChannel (Chicago)	50	1,507,270
Sunshine Network	200	2,310,000

Pay services		
Home Sports Entertainment	250	1,000,000
Home Team Sports	125	1,200,000
New England Sports Network	171	317,201
Prism	87	427,000
Pro-Am Sports	173	523,000
SportsChannel (Florida)	20	470,000
SportsChannel (New England)	154	1,028,431
SportsChannel (New York)	100	1,300,000
Z Channel	73	110,010

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.

N/A denotes information not available.

***Count represents standalone affiliates/subscribers; portions of SC America are carried on Home Team Sports and the SportsChannel family of regional services.**

****Spanish-speaking households.**

Announced services

Satellite-fed services	Expected launch
American Western Network	4th Quarter 1989
ATV: Advertising Television	TBA
Career Channel Network	10/89
CD/8: The Digital Music Network	6/89
CNBC	4/89
The Computer Channel	8/89
Digital Cable Radio	4th Quarter 1989
Digital Radio Channel	4th Quarter 1989
The Gaming Network	3rd Quarter 1989
Interactive Game Network	3rd Quarter 1989
Kids Information Network	2nd Quarter 1989
The Landscape Channel	2nd Quarter 1989
Laugh TV	3rd Quarter 1989
Maximum Entertainment Network	9/89
Mizlou Sports News Network	4/89
Music Image Channel	11/89
Spanish TV News Network	5/89
Talk Television	3rd Quarter 1989

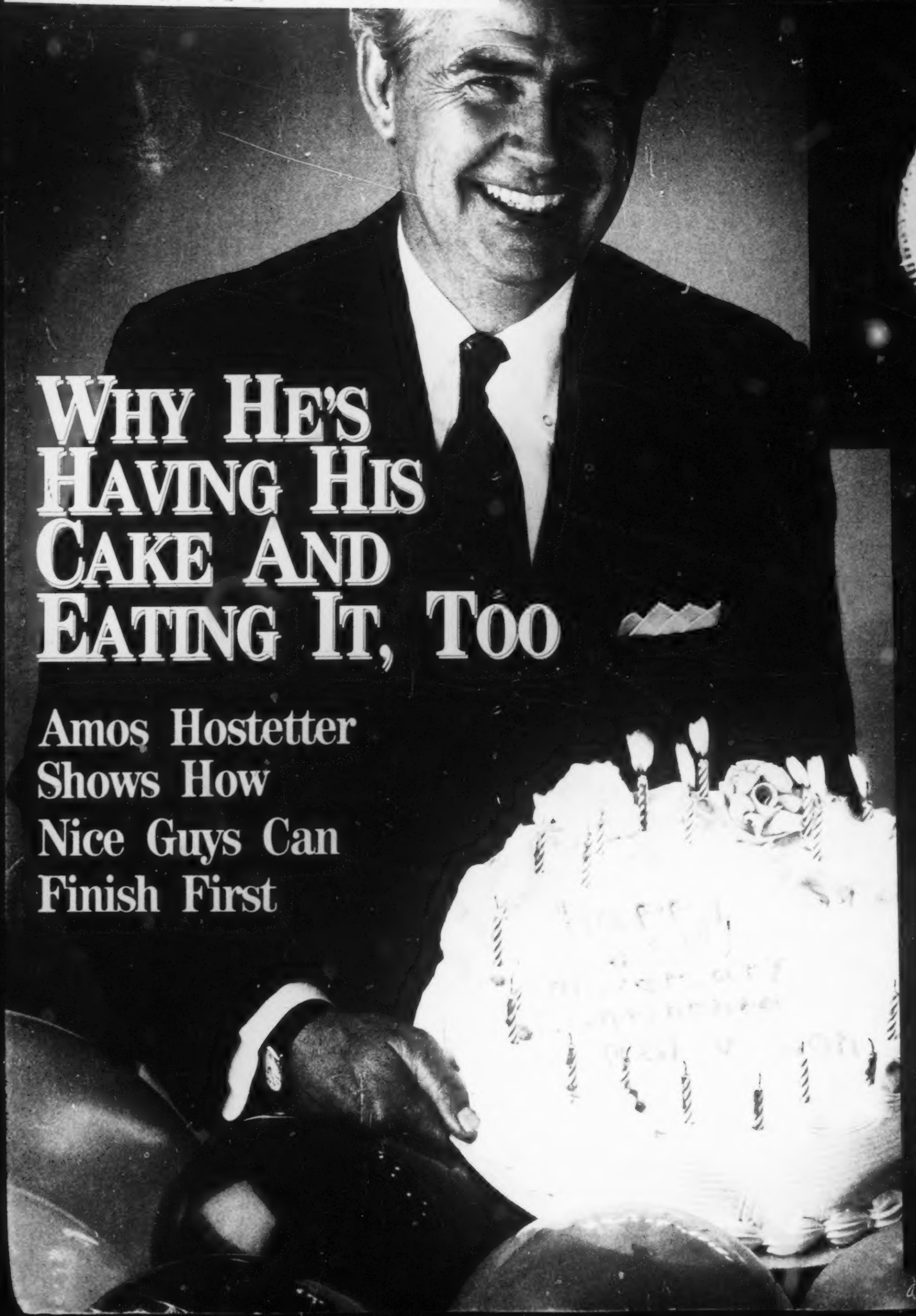
Non satellite-fed services	Expected launch
ACTV	3rd Quarter 1989
Main Street	2nd Quarter 1989
On Demand/UTV TV Network	4th Quarter 1989

CU722-2
5/13/89

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

APRIL 24, 1989



WHY HE'S HAVING HIS CAKE AND EATING IT, TOO

Amos Hostetter Shows How Nice Guys Can Finish First

PULLOUT SECTION: FIBER OPTICS HANDBOOK

TURNER, TCI PLAN NEW SPORTS CHANNEL

MID-SIZE MSO'S ORGANIZE OWN GROUP

CALCULATING VALUE IN CONTIGUOUS BUYS

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT APRIL 24, 1989

◆

INFORMATION

Turner, TCI round up games for new channel. 8
The scramble is on to find enough professional and collegiate sporting events to fill up a new Southeast regional cable channel.

Reshuffling the deck at the FCC. 12
Insiders are betting on Al Sikes, head of the NTIA, as the new FCC chairman, and his stand on the cable/telco issue could be important.

Mid-size MSOs form their own group. 16
Many mid-size MSOs are confronted with unique problems, and the heads of those companies have formed the Cable Entrepreneurs Group to talk things over.

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Fiber optics handbook. 47
Pull out and save this cable manager's guide to the basics of fiber optic technology and the issues surrounding its use in system networks.

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The CABLE POLL

©Midwest CATV & CableVision Magazine

88 percent of large systems selling ads

28

COVER PHOTOGRAPH

The industry joins Amos Hostetter in celebrating Continental's silver anniversary

Photo by Lou Manna

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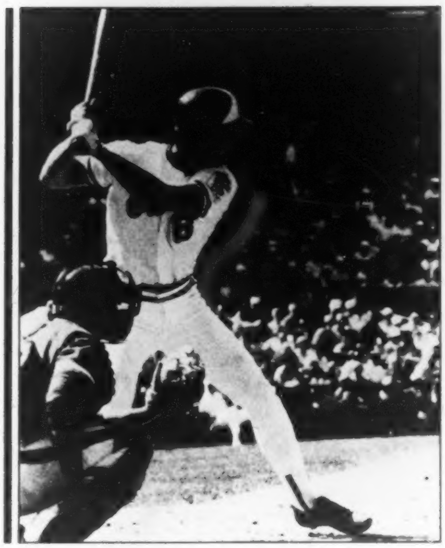
4

Home Team Sports becoming a contender

Sports fans love winners; just look at any ratings for confirmation. The lackluster 1988 Baltimore Orioles were no exception. The team lost its first 21 games last season, setting a major league record, and never recovered the rest of the season. But this has had little if any effect on Home Team Sports, the Washington, D.C.-based regional sports service that this season will carry 65 Oriole home games. Bolstered by new awareness by advertisers and its continued top-flight production qualities, HTS' health is improving.

The Orioles streak itself was a positive. "It was the best part of the year," says Bill Brown, producer of HTS's baseball broadcasts. "The world was following the Orioles. The interest was so great it was like we were in a pennant race."



HTS covers the Baltimore Orioles from every angle—even the concession stands.

Although the notoriety wore off, neither the Orioles' ratings nor advertising sales suffered much, says Jeff Wagner, HTS director of marketing and sales. The team is in a similar situation with the Cincinnati Reds, St. Louis Cardinals, Detroit Tigers and Kansas City Royals, where smaller-market teams attract viewers no matter what their won-loss record. "In the summertime, people always watch the Orioles. They always have; they always will," says Wagner. Although Orioles ratings softened somewhat last year, Wagner says, average numbers were still in the 20-30 range for its 300,000 pay universe in its core Baltimore-Washington area. It has one million subs as a basic channel outside its core market.

In spite of the team's performance last season, this year, Wagner says, total ad dollars have climbed 10 percent. "We've grown and become more credible," he says, especially with ad agencies in the Baltimore-Washington area.

For a number of years Home Team Sports has been given high marks by sports production experts for its baseball telecasts. It was the first to employ a high left field camera showing the trajectory of a baseball in flight, a technique picked up by the broadcast networks. Instead of the usual four cameras, HTS uses eight. HTS has four replay machines, while most productions only use two.

Wagner says HTS also helps the advertiser with clutter. A baseball game typically contains 55 to 65 spots; HTS runs around 36 announcements. Instead of two minutes of commercials at the end of an inning, HTS only uses 90 seconds.

Between innings there are no commercials at all. HTS hosts roam Memorial Stadium looking for the unusual, like hanging out at tailgate parties or watching concessionaires change beer barrels. "We had (HTS hosts) cook hotdogs in concessions stands. We've had them rub up baseballs with the umpires. We've had them talking with batboys," says Brown. Highlights from other games are also featured. "We show the viewer that we are not concerned with commercials, we are more concerned with bringing them an entertaining telecast."

"It's terrific stuff," says Phil Mushnick, *New York Post* sports television columnist.

—Wayne Friedman

Top Basic Cable Sports Programs
April 3 - April 9

	Date	Net	Program	Rating	Homes
1.	Apr. 9	ESPN	Nascar: Valleydale 500	3.5	1,800,000
2.	Apr. 6	WTBS	Baseball: Braves-Astros	3.2	1,504,000
3.	Apr. 7	WTBS	Baseball: Braves-Dodgers	3.1	1,489,000
4.	Apr. 9	WTBS	Baseball: Braves-Dodgers	3.0	1,486,000
5.	Apr. 7	USA	Golf: The Masters (4 PM)	2.9	1,372,000
6.	Apr. 4	WTBS	Baseball: Braves-Astros	2.6	1,258,000
7.	Apr. 5	WTBS	Baseball: Braves-Astros	2.4	1,162,000
8.	Apr. 3	ESPN	Final Four Special	2.2	1,100,000
9.	Apr. 4	ESPN	Top Rank Boxing: Espinoza-Garcia	2.0	1,010,000
10.	Apr. 7	USA	Golf: The Masters (repeat, 9 PM)	2.0	940,000

88% of large systems active in ad sales

The CABLE POLL

©Midwest CATV & CableVision Magazine

An eye-opening 88 percent of all cable systems with more than 50,000 subscribers now are involved in selling local advertising, and 54 percent of those systems sell the time themselves, as opposed to contracting with an outside company, according to the ©Cable Poll. Overall, 60 percent of all systems, regardless of size, sell local avails, and of those which don't, roughly half say they would but for technological limitations.

But while the data indicate that local ad sales initiatives have become pervasive in the cable industry, selling most of the inventory remains a challenge. Only 39 percent of the 50,000-plus subscriber systems say they sell two-thirds or more of their avails; 38 percent of systems serving between 10,000 and 50,000 subscribers say they sell that much of their inventories, and only one in five systems with less than 10,000 subscribers say they sell two-thirds of their avails.

Overall, the data indicate that 34 percent of all cable systems sell a third of their local advertising inventories, 22 percent say they sell half of their time, and 30 percent say they sell two-thirds or more of the inventory.

The ©Cable Poll, launched this month, is conducted for Midwest CATV and *CableVision* magazine by Ryan/Samples Research Inc. Telephone interviews were conducted March 13-23 with a random sample of 400 system management personnel obtained from the CableFile Research data base. ©Cable Poll researchers are 95 percent confident that the results are accurate within plus or minus 4.9 percentage points.

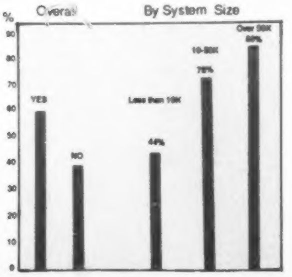
Of the systems that aren't selling local ads, 48 percent said it was because they are technically incapable of insertions, while 27 percent said it was because they had concluded that local ad sales would not be profitable. Equipment and personnel costs aside, another 20 percent of those systems not selling local ads said it was because there was no market for it in their area.

Car dealers and department stores were identified by respondents as the advertising categories showing the most promise, with the larger systems targeting the car dealers and the smaller systems seeing greater revenue potential from retail.

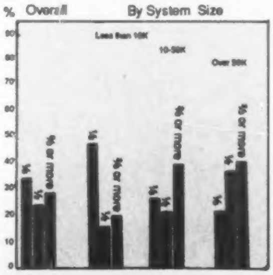
Among systems with more than 50,000 subscribers, 64 percent said car dealers are most likely to buy local cable advertising, while 18 percent said department stores are. At the other end of the scale, cable systems with less than 10,000 subscribers believe department stores show the most promise for advertising sales

Other topics to be addressed by the ©Cable Poll include marketing, pay-per-view, and cable/telco relationships.

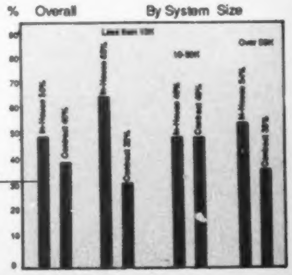
Do you sell local advertising?



Do you sell about one-third, about half, or two-thirds or more of your inventory?



Do you sell local ads yourself or do you contract with someone?



PROGRAMMING

Pay-Per-View Supply Chart

April	Source
Betrayed MPAA Rating: R Running Time: 94 mins. Cast: Tom Berenger, Debra Winger, John Heard	**MGM/UA**
The Big Blue MPAA Rating: PG Running Time: 119 mins. Cast: Rosanna Arquette, Griffin Dunne, Paul Shenar	**Weintraub**
Big Business MPAA Rating: PG Running Time: 98 mins. Cast: Bette Midler, Lily Tomlin, Fred Ward	**Disney TV**
Clean & Sober MPAA Rating: R Running Time: 125 mins. Cast: Michael Keaton, Kathy Baker, Morgan Freeman	**Warner Bros.**
Feds MPAA Rating: PG-13 Running Time: 83 mins. Cast: Rebecca DeMornay, Mary Gross	**Warner Bros.**
Gatorbait II MPAA Rating: R Running Time: 95 mins. Cast: Jan MacKenzie, Tray Loren	**Paramount**
Imagine: John Lennon MPAA Rating: R Running Time: 106 mins.	**Warner Bros.**
Iron Eagle II MPAA Rating: PG Running Time: 101 mins. Cast: Lou Gossett Jr., Stuart Margolin, Mark Humphrey	**Columbia**
Kansas MPAA Rating: R Running Time: 111 mins. Cast: Matt Dillon, Andrew McCarthy, Leslie Hope, Brent Jennings	**HBO**
The Lonely Passion Of Judith Hearne MPAA Rating: R Running Time: 120 mins. Cast: Maggie Smith, Bob Hoskins, Wendy Hiller	**Island**
Lawless Land MPAA Rating: R Running Time: 80 mins.	**MGM/UA**
Married To The Mob MPAA Rating: R Running Time: 104 mins. Cast: Michelle Pfeiffer, Matthew Modine, Dean Stockwell, Mercedes Ruehl	**Orion**
The Metal Years MPAA Rating: R Running Time: 94 mins. Cast: Aerosmith, Alice Cooper, Kiss, Ozzy Osbourne	**Avalon**
Moon Over Parador MPAA Rating: PG-13 Running Time: 104 mins. Cast: Richard Dreyfuss, Raul Julia, Sonia Braga	**Universal**
Mr. North MPAA Rating: PG Running Time: 91 mins. Cast: Robert Mitchum, Anthony Edwards, Lauren Bacall, Anjelica Huston	**Sam Goldwyn**
Picasso Trigger MPAA Rating: R Running Time: 99 mins. Cast: Steve Bond, Dona Spier	**Warner Bros.**
Pound Puppies & The Legend Of Big Paw MPAA Rating: G Running Time: 76 mins. Cast: George Rose, Ruth Buzzi, Nancy Cartwright	**Orbis**
Punchline MPAA Rating: R Running Time: 123 mins. Cast: Sally Field, Tom Hanks	**Columbia**
U2 Rattle & Hum MPAA Rating: PG-13 Running Time: 95 mins. Cast: U2, John Lithgow	**Paramount**

May	Source
Big MPAA Rating: PG Running Time: 105 mins. Cast: Tom Hanks, Elizabeth Perkins, Robert Loggia	**20th Century-Fox**
Child's Play MPAA Rating: R Running Time: 87 mins. Cast: Catherine Hicks, Chris Saradon	**MGM/UA**
Cocktail MPAA Rating: R Running Time: 104 mins. Cast: Tom Cruise, Bryan Brown, Elisabeth Shue	**Disney TV**
Crocodile Dundee II MPAA Rating: PG Running Time: 112 mins. Cast: Paul Hogan, Linda Kozlowski	**Paramount**
Crossing Delancey MPAA Rating: PG Running Time: 97 mins. Cast: Amy Irving, Peter Riegart, Reizl Bozyk	**Warner Bros.**
Gorillas In The Mist MPAA Rating: PG-13 Running Time: 130 mins. Cast: Sigourney Weaver, Bryan Brown, Julie Harris	**Universal**
Miles From Home MPAA Rating: R Running Time: 113 mins. Cast: Richard Gere, John Malkovich, Kevin Anderson	**Sage**

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.
Film information provided to *Cablevision* by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	ADDRESSABLE SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events.	800,000
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,300,000
Request Television	November 27, 1985	R-1: Satcom III-R, tr.19 R-2: Satcom III-R, tr.4	VideoCipher II	Two channels offering movies and special events	4,500,000
Tuxxedo Network	December 1, 1987	Galaxy II, tr. 10	VideoCipher II	Adult movies and special events.	304,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Two channels of movies and special events	5,000,000

Most believe fiber will replace coaxial

The CABLE POLL

©Midwest CATV & CableVision Magazine

Two out of every three managers believe that fiber optics eventually will replace coaxial cable throughout the distribution network, a surprisingly large percentage that holds whether the question is put to executives at large or small systems, those affiliated with major MSOs or small companies.

According to data from the ©Cable Poll, 67 percent of respondents see fiber as the technology of the future while 28 percent believe coaxial will continue to play some role in signal distribution. But somewhat perplexingly, 74 percent of the same sample said they have no present plans to install fiber optic technology. Three percent of those asked said they already have installed some fiber in their systems, while 21 percent said they plan to install fiber optics in the near future.

The data support present beliefs that fiber initially will be used for supertrunking in large, geographically diverse systems. The percentage of respondents saying they plan soon to install fiber rises from 14 percent at systems serving fewer than 10,000 subs, to 28 percent at systems with between 10,000 and 50,000 subs, to 41 percent at systems with more than 50,000 subscribers.

The ©Cable Poll is a sampling of industry opinion conducted on a regular basis by Ryan/Samples Research Inc. for Midwest CATV and *CableVision* magazine. Telephone interviews for this edition of the poll were conducted March 13-23; a total of 400 interviews were completed using a listing of system management personnel obtained from CableFile. ©Cable Poll researchers are 95 percent confident that the data is accurate within plus or minus 4.9 percentage points.

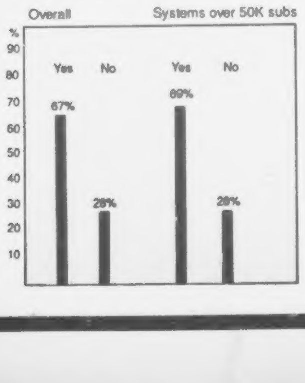
The cost of fiber optics is very much on the minds of managers, with 44 percent of all respondents saying it concerns them "a lot." Twenty-eight percent say cost is of "some" concern, while 28 percent said cost concerns them very little or not at all.

Just as in the question about whether fiber eventually will replace coaxial, the relative concerns about cost deviate little from large to small systems or from large to small MSOs.

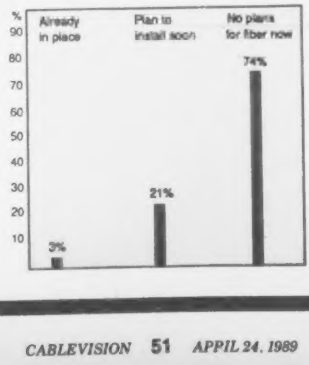
Forty-one percent of the respondents from top 25 MSOs claim that the price tag for implemented fiber is an important concern, compared with 43 percent among those surveyed from other top 100 operators and 47 percent from MSOs below the top 100 ranks. Holding no concerns about cost whatsoever; 16 percent of the respondents from the top 25 and 26-100 MSO brackets, and 19 percent of other operators surveyed.

Other topics to be addressed by the ©Cable Poll include marketing, pay-per-view, cable/telco relationships and system operations. Results will be published in future issues. ■

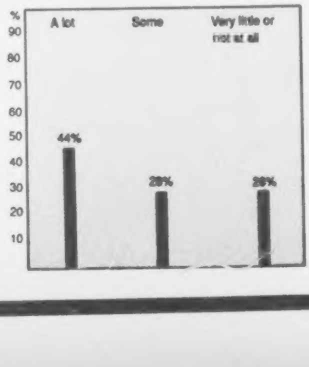
Will fiber eventually replace coax?



What are your present plans for fiber?



How concerned are you with the cost of fiber?



CABLE STATS

Satellite Lineup

Satcom III-R (GE Americom)	**Transponder**
BET	20
Cable Radio Network	4
Cinemax (West)	23
CNBC	6
ESPN (Blackout)	7
The Fashion Channel	1
Financial News Network	11
Genesis Storytime	3
HBO (East)	13
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
Network 1 USOA	23
QVC Network	8
Request TV	4,19
Shop Television Network	5
Tempo Sound	6
The Travel Channel	16
Trinity Broadcasting Network	3
Turner Network Television	18
USA Network (West)	10
Vision Interfaith Satellite Network	9

Satcom IV (GE Americom)	**Transponder**
Alternate View Network	10
Family Guide Network	24
Family Net	7
The Fashion Channel	14
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Madison Square Garden Network	6
Movietime	17
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Playboy On Demand	24
Prevue Guide	8
Prime Ticket	20
The Silent Network	23
SportsChannel America	2,10
SportsChannel Chicago	9
SportsChannel New England	23

Satcom II-R (GE Americom)	**Transponder**
WABC	4
WCBS	2
WNBC	12

Satcom I-R (GE Americom)	**Transponder**
Digital Cable Radio	15
Home Sports Entertainment	10
KKGO	16
KTLA	16
Netlink USA	2,4,6,12,14,20
Prime Ticket Network	7
Sunshine Network	11
WSBK	2

Westar III (Hughes)	**Transponder**
CNN	5

Westar IV (Hughes)	**Transponder**
Cable News Network (CNN)	16
International Television Network	10
Telemundo	9

Westar V (Hughes)	**Transponder**
Moody Broadcasting Network	7D
Pro-Am Sports System (PASS)	8
Zephyr Weather Information Service	7D

Telstar 303 (AT&T)	**Transponder**
American Exxxtasy	19

Galaxy I (Hughes)	**Transponder**
Arts & Entertainment Network	12
CBN Cable Network	11
Cinemax (East)	19
CNN	7
Country Music Television	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
Electra	18
ESPN	9
Galavision/Eco	20
HBO (West)	1
Headline News	8
The Inspirational Network	17
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
Prevue Guide	3
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
Showtime (West)	16
Superstation TBS	18
Univision	6
USA Network (East, Central)	21
WGN/EPG	3
WWOR	15

Galaxy III (Hughes)	**Transponder**
ACTS Satellite Network	7
Cable Value Network	9
Cable Video Store	5
C-SPAN	24V
C-SPAN II	14V
Eternal Word Television Network	10
Galactic Radio	11
Lifetime	20
The Meadows Racing Network	17
Mind Extension University	11
MTV	17
MTV (West Coast)	18
Nick At Nite	19
Nickelodeon	19
NuStar	12
Video Hits One (VH1)	15
Viewer's Choice	21,16
The Weather Channel	13

Spacenet I (GTE)	**Transponder**
RFD TV	23

Spacenet II (GTE)	**Transponder**
Channel America	3

Spacenet III (GTE)	**Transponder**
KTVT	3
WPIX	5

Note: A company name in parentheses following a service or network designates the transponder owner. Source: International Thomson Communications Inc.

Top 100 MSO's

Rank		Multiple system operator	Basic subs	
	1.	Tele-Communications Inc.	6,200,000	(4/89)
	2.	American Television & Communications Corp.	4,000,000	(3/89)
	3.	Continental Cablevision	2,380,000	(3/89)
(5)	4.	Warner Cable Communications	1,537,000	(3/89)
(4)	5.	Storer Cable Communications	1,530,700	(1/89)
	6.	Cox Cable Communications	1,495,000	(3/89)
	7.	Comcast	1,453,000	(3/89)
	8.	Cablevision Systems Corp.	1,334,601	(3/89)
	9.	UA Cablesystems	1,339,729	(10/88)
	10.	United Cable	1,287,000	(3/89)
	11.	Newhouse Broadcasting	1,130,000	(3/89)
	12.	Jones Spacelink	1,116,430	(3/89)
	13.	Heritage Communications	1,078,085	(12/88)
	14.	Times Mirror Cable TV	997,156	(1/89)
	15.	Viacom Cable	955,000	(4/89)
	16.	Cablevision Industries	911,115	(2/89)
	17.	Sammons Communications	849,287	(2/89)
	18.	Century Communications	792,000	(3/89)
(20)	19.	Cooke Cablevision	728,000	(3/89)
(19)	20.	Adelphia Communications	720,000	(3/89)
	21.	Paragon Communications	703,000	(1/89)
	22.	Falcon Cable TV	632,500	(3/89)
	23.	Centel Cable	582,623	(1/89)
	24.	Telecable	570,000	(1/89)
	25.	WestMarc Communications	551,386	(3/89)
	26.	KBLCOM	548,400	(3/89)
	27.	Scripps-Howard	531,000	(3/89)
	28.	Multivision Cable TV	481,000	(1/89)
	29.	Tele-Media	464,576	(1/89)
	30.	Prime Cable	455,123	(12/88)
	31.	Post-Newsweek Cable	400,000	(1/89)
	32.	Lenfest Group	358,524	(3/89)
	33.	TCA Group	348,000	(3/89)
	34.	Maclean Hunter Cable TV	331,599	(12/88)
(36)	35.	Rifkin & Associates	321,500	(3/89)
(35)	36.	Multimedia Cablevision	304,000	(3/89)
	37.	Colony Communications	310,100	(3/89)
	38.	TKR Cable	268,195	(12/88)
	39.	Western Communications	264,900	(3/89)
(42)	40.	Cencom Cable	254,235	(3/89)
(40)	41.	Star Cablevision Group	254,000	(1/89)
(41)	42.	Simmons Communications	246,690	(1/89)
	43.	Communications Service Inc.	228,526	(12/88)
	44.	Hauser Communications	226,000	(1/89)
	45.	Service Electric Cable TV Inc.	220,000	(8/88)
	46.	Greater Media	185,800	(3/89)
(48)	47.	Harron Communications	177,700	(3/89)
(47)	48.	Media General	172,900	(3/89)
(50)	49.	Columbia International	168,500	(3/89)
(51)	50.	Palmer Communications	167,171	(3/89)
(49)	51.	Sutton Capital	167,000	(12/88)
(53)	52.	Insight Communications	155,300	(3/89)
(52)	53.	U.S. Cable Corp	154,300	(3/89)
	54.	Armstrong Utilities	151,800	(3/89)
	55.	King Videocable	141,158	(1/89)
	56.	Triax Communications	141,000	(6/88)
(59)	57.	Summit Communications	136,600	(3/89)
(57)	58.	Cable Systems USA	133,959	(12/88)
(58)	59.	Northland Communications	133,602	(12/88)
	60.	Bresnan Communications	127,351	(1/89)
	61.	Booth Communications	119,000	(1/89)
	62.	Sonic Communications	118,000	(12/88)
	63.	McDonald Group	114,900	(1/89)
	64.	Susquehanna Broadcasting	112,205	(12/88)
	65.	United Video Management	106,000	(3/89)
	66.	Midcontinent Cable Systems Co.	102,672	(8/88)
	67.	Pencor Services	96,678	(12/88)
	68.	First Carolina Communications	96,000	(1/89)
	69.	WEHCO Video	91,000	(1/89)
	70.	Omega Communications	90,500	(3/88)
	71.	Selkirk Communications	77,500	(3/89)
	72.	Coaxial Communications	77,000	(3/89)
	73.	Gilbert Media	72,000	(12/88)
(77)	74.	James Cable Partners	69,900	(3/89)
	75.	Douglas Communications	64,100	(3/89)
(81)	76.	Barden Cablevision	60,900	(3/89)
(76)	77.	Cardinal Comunications	58,900	(12/88)
(79)	78.	Prestige Cable TV Inc.	57,500	(3/89)
(78)	79.	Hearst Communications Of California	57,410	(12/88)
	80.	C-TEC Cable Systems	56,250	(12/88)
(83)	81.	State Cable TV	54,500	(12/88)
	82.	Joseph Gans Cable TV	54,000	(12/88)
(84)	83.	Pagnotti Inc.	52,590	(12/88)
(85)	84.	Telesat Cablevision Inc.	52,590	(12/88)
(86)	85.	Bachow & Elkin Communications	51,700	(1/89)
(88)	86.	Galaxy Cablevision	51,700	(3/89)
	87.	Leonard Communications	51,700	(12/88)
(89)	88.	Helicon Corp.	50,000	(3/88)
(90)	89.	New England Cablevision	48,800	(1/89)
(91)	90.	Rock Associates	47,500	(3/89)
(92)	91.	Donrey Media Group	47,500	(3/89)
(99)	92.	Cable Holdings Inc.	41,800	(3/89)
	93.	CableSouth Inc.	41,537	(12/88)
	94.	Eastern Connecticut Cable TV	41,444	(9/88)
	95.	CableAmerica	41,000	(1/89)
	96.	Fanch Communications	41,000	(11/88)
	97.	Acton Corp.	40,400	(3/89)
	98.	Star Cable Associates	40,000	(12/88)
(new)	99.	Fairbanks Communications	36,000	(3/89)
	100.	ParCable	35,210	(12/88)

( ) **Rank last listing**

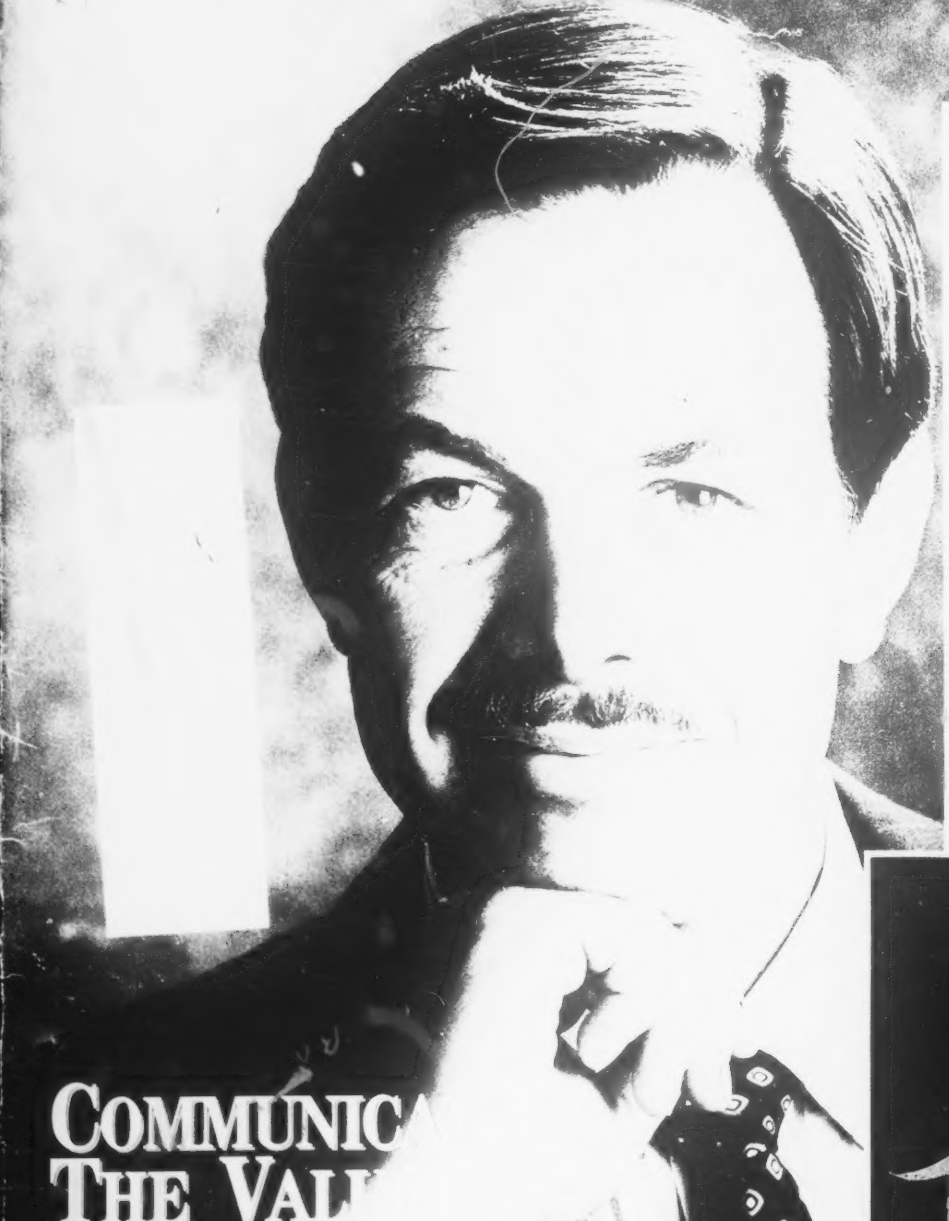
Subscriber counts are provided by MSOs and systems to Cable Vision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 432 Park Avenue So., Suite 1010, New York, NY 10016.*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	455,643	(3/89)
2.	San Diego, CA	Cox Cable	300,000	(4/89)
3.	Orlando/Melbourne, FL	ATC	298,000	(2/89)
4.	Manhattan, NY	ATC	225,000	(12/88)
5.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
6.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
7.	Puget Sound, WA	Viacom	203,000	(6/88)
8.	Phoenix, AZ	Times Mirror	200,000	(10/88)
9.	Houston, TX	Warner	196,800	(1/89)
10.	Honolulu, HI	ATC	194,000	(3/88)
11.	Chicago (suburbs), Il	Continental	177,208	(2/89)
12.	Hartford/Plainville/Vernon, CT	United	172,289	(5/88)
13.	Wayne, NY	UA Cablesystems	169,953	(2/89)
14.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
15.	Cleveland (suburbs), OH	Cablevision Systems	164,353	(3/89)
16.	Cincinnati, OH	Warner	163,552	(1/89)
17.	Rochester, NY	ATC	163,000	(10/88)
18.	Cherry Hills, NJ	NYT	162,000	(1/89)
19.	Denver (suburbs), CO	United	161,002	(5/88)
20.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
21.	Fairfax, VA	Media General	157,000	(11/88)
22.	Tulsa, OK	United	153,954	(12/88)
23.	Connecticut Complex	Cablevision Systems	153,659	(3/89)
24.	Atlanta, GA	Prime Cable	153,557	(3/88)
25.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
26.	Kansas City, MO	ATC	147,000	(2/89)
27.	San Jose/Campbell, CA	Heritage	140,000	(1/89)
28.	Memphis/W. Memphis, TN	ATC	140,000	12/88)
29.	Charlotte, NC	ATC	139,000	(12/88)
30.	Pompano, FL	Continental	136,793	(2/89)
31.	Baltimore County, MD	Comcast	136,096	(6/88)
32.	Manhattan, NY	Paragon	136,000	(4/88)
33.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
34.	St. Louis, MO	Cencom	132,605	(2/89)
35.	San Diego, CA	ATC	132,000	(12/88)
36.	Martin/Stuart Co, FL	Centel	126,034	(1/89)
37.	San Francisco, CA	Viacom	123,000	(6/88)
38.	Seattle, WA	TCI	120,518	(1/89)
39.	Austin, TX	ATC	120,000	(12/88)
40.	Warren, NJ	TKR	116,174	(2/89)
41.	Toledo, OH	Blade Communications	108,861	(5/88)
42.	Dallas, TX	Heritage	107,680	(5/88)
43.	San Juan, PR	Multivision Cable	106,450	(12/88)
44.	Chicago Suburbs, IL	Centel	106,321	(1/89)
45.	Southeast Michigan	Comcast	104,803	(6/88)
46.	Raleigh/Durham, NC	ATC	104,000	(12/88)
47.	Grand Rapids, MI	UA Cablesystems	103,661	(6/88)
48.	Wilmington, DE	Heritage	103,255	(5/88)
49.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
50.	Pinellas County, FL	Newhouse	100,614	(6/88)
51.	Naples, FL	Palmer	100,524	(2/89)
52.	Hillsborough/Tampa, FL	Paragon	100,281	(2/89)
53.	Boston, MA	Cablevision Systems	100,267	(3/89)
54.	Brooklyn/Queens, NY	Warner	100,000	(1/89)
55.	Richmond, VA	Continental	97,935	(1/89)
56.	Tacoma, WA	Viacom	99,000	(6/88)
57.	Indianapolis, IN	Comcast	97,790	(6/88)
58.	Pittsburgh	TCI	96,712	(1/89)
59.	Escondido, CA	Times Mirror	96,519	(4/88)
60.	Jackson, MS	ATC	96,000	(12/88)
61.	St. Petersburg, FL	Paragon	95,412	(2/89)
62.	Dade/Broward County, FL	Storer	94,577	(5/88)
63.	Worcester Complex, MA	Greater Media	92,148	(12/88)
64.	Greensboro, NC	ATC	91,000	(12/88)
65.	Nashville, TN	Viacom	90,000	(6/88)
66.	Chicago, IL	Group W	89,500	(7/88)
67.	Milwaukee, WI	Warner	88,126	(5/88)
68.	Wichita, KS	Multimedia	87,351	(1/89)
69.	Las Vegas, NV	Prime Cable	86,852	(5/88)
70.	Orange County, CA	Times Mirror	86,607	(4/88)
71.	Dover/Morristown, NJ	Sammons	82,871	(5/88)
72.	Portland, OR	Rogers	82,587	(6/88)
73.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
74.	Fresno, CA	Continental	82,103	(12/88)
75.	Fayetteville, NC	ATC	82,000	(12/88)
76.	Orange County	Rogers	81,604	(1/89)
77.	South Bend, IN	Heritage	80,776	(5/88)
78.	Oakland County, MI	United	80,564	(5/88)
79.	New Orleans, LA	Cox Cable	80,348	(3/88)
80.	Indianapolis, IN	ATC	80,000	(12/88)
81.	Independence,MO	Jones	79,897	(11/88)
82.	Baton Rouge, LA	UA Cablesystems	79,586	(4/88)
83.	Albuquerque, NM	Jones Intercable	79,199	(10/88)
84.	Akron, OH	Warner	79,070	(5/88)
85.	Columbus, OH	Warner	78,454	(5/88)
86.	Allentown, PA	Service Electric	78,000	(12/88)
87.	St. Petersburg, FL	Paragon	78,000	(4/88)
88.	Medford Complex Boston Suburbs, MA	Warner	77,167	(5/88)
89.	South Texas, TX	Heritage	77,160	(5/88)
90.	Pleasant Hill, CA	WestMarc	73,822	(3/89)
91.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
92.	Omaha, NE	Cox Cable	73,361	(3/88)
93.	Flint, MI	Comcast	72,923	(6/88)
94.	Little Rock, AR	Storer	72,681	(5/88)
95.	Ocean County, NJ	Adelphia,	72,355	(3/88)
96.	W. San Fernando Va, CA	CV Industries	72,164	(2/89)
97.	Lincoln, RI	Heritage	71,625	(5/88)
98.	Santa Monica, CA	Century	71,000	(2/89)
99.	Oklahoma City, OK	Cox Cable	70,371	(3/89)
100.	Des Moines, IA	Heritage	70,148	(5/88)

CableVision

FOR CABLE TELEVISION MANAGEMENT MAY 8, 1989



COMMUNIC
THE VAL
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John Goddard's
call to action

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT MAY 8, 1989

INFORMATION

Jerrold forms Cableoptics unit. 8
Looking toward the long-term potential of fiber optics in cable system architecture, Jerrold forms a new unit to focus on research and applications.

Slow-going for Kahn in overbuild. 12
Irving Kahn hasn't been able to build one foot of his overbuild of the NYT system in southern New Jersey due to regulatory delays and other challenges.

An operator to run VH-1. 16
Ed Bennett is leaving Viacom Cable to run VH-1 and believes his experience as an operator will further boost the channel for babyboomers.

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In our cover story, the outgoing NCTA chairman reviews his year at the helm and issues a call for improved customer service and community relations.

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Becoming conversant in foreign-language TV

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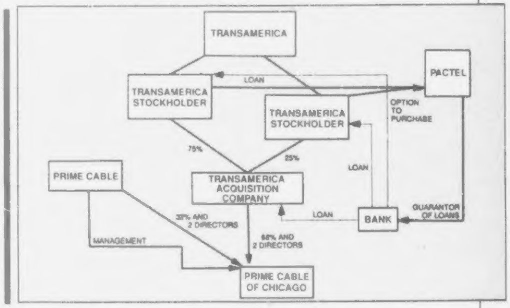

Analyzing the structure of the Prime/PacTel deal

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COVER PHOTOGRAPH

Viacom Cable's John Goddard, focusing on the consumer

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ABP BPA

The CABLE POLL

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Channel capacity needs driving rebuilds

More than half of all cable systems will undergo a rebuild or upgrade in the coming year or have completed one in the past year, according to Cable Poll© data which show that increased channel capacity is at the heart of the vast majority of those system improvements.

This hectic pace of plant improvements is more prevalent at smaller systems, particularly those owned by small MSOs. While five out of every 10 systems owned by a top-25 MSO have a rebuild planned or have undergone one recently, six in 10 systems owned by MSOs outside the top 100 are in the same situation, the data show. Overall, 56 percent of systems have recently completed a rebuild or plan one in the year ahead, according to the Cable Poll© data.

Coming through loud and clear from the data is that the need for increased channel capacity is driving the plant improvements. Overall, 86 percent of systems at which upgrades or rebuilds have occurred or planned mentioned channel capacity as a factor, a figure that rises to 92 percent of systems with between 10,000 and 50,000 subscribers, and to 94 percent of systems with more than 50,000.

Number

3

in a series

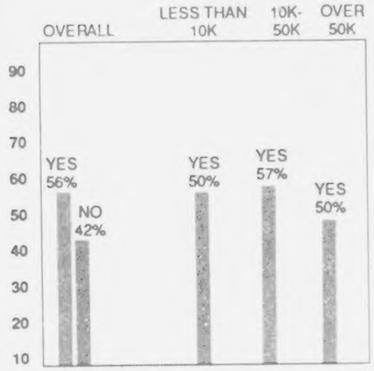
of ten

Beyond adding channel capacity, systems eyeing rebuilds and upgrades also are focusing on addressability. Overall, 46 percent of respondents said the plant improvement at their system includes one-way addressability, but that percentage rises noticeably at larger systems or at systems owned by large MSOs. At systems owned by top-25 MSOs where a rebuild is planned or was completed in the last year, 57 percent of the projects include one-way addressability, a figure that rises to 63 percent of systems with more than 50,000 subs planning a rebuild or having just completed one.

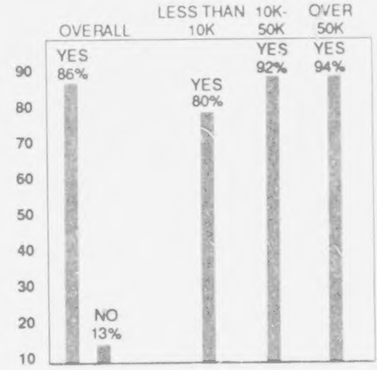
Two-way addressability figures into the rebuild plans at only 17 percent of all systems undergoing a construction project.

The Cable Poll© is a sampling of industry opinion conducted on a regular basis by Ryan/Samples Research Inc. for Midwest CATV and *CableVision* magazine. Telephone interviews for this edition of the poll were conducted March 13-23; a total of 400 interviews were completed using a listing of system management personnel obtained from CableFile. Cable Poll© researchers are 95 percent confident that the results are accurate within plus or minus 4.9 percentage points. ■

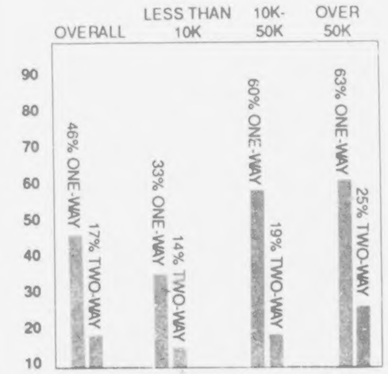
In the past year or the year ahead, will your system be rebuilt?



Is increased channel capacity a reason for your rebuild?



Does your rebuild include one-way or two-way addressability?



PROGRAMMING

Pay-Per-View Supply Chart

May	Source
Arizona Heat MPAA Rating: R Running Time: 91 mins. Cast: Michael Parks, Denise Crosby	Republic
Big MPAA Rating: PG Running Time: 105 mins. Cast: Tom Hanks, Elizabeth Perkins, Robert Loggia	20th Century-Fox
Child's Play MPAA Rating: R Running Time: 87 mins. Cast: Catherine Hicks, Chris Sarandon	MGM/UA
Cocktail MPAA Rating: R Running Time: 104 mins. Cast: Tom Cruise, Bryan Brown, Elisabeth Shue	Disney TV
Crime Zone MPAA Rating: R Running Time: 97 mins. Cast: David Carradine, Peter Nelson, Sherilyn Fenn	MGM/UA
Crocodile Dundee II MPAA Rating: PG Running Time: 112 mins. Cast: Paul Hogan, Linda Kozlowski	Paramount
Crossing Delancey MPAA Rating: PG Running Time: 97 mins. Cast: Amy Irving, Peter Riegert, ReizlBozyk	Warner Bros.
Dangerous Curves MPAA Rating: PG Running Time: 98 mins. Cast: Leslie Nielsen, Robert Stack, Elizabeth Ashley, Robert Klein	Vestron
Fresh Horses MPAA Rating: PG-13 Running Time: 103 mins. Cast: Molly Ringwald, Andrew McCarthy, Patti D'Arbanville	Weintraub
Gorillas In The Mist MPAA Rating: PG-13 Running Time: 130 mins. Cast: Sigourney Weaver, Bryan Brown, Julie Harris	Universal
Hellbound: Hellraiser II MPAA Rating: R Running Time: 94 mins. Cast: Clare Higgins, Ashley Lawrence	HBO
Mac And Me MPAA Rating: PG Running Time: 99 mins. Cast: Jade Calegory, Christine Ebersole, Jonathan Ward	Orion
Memories Of Me MPAA Rating: PG Running Time: 104 mins. Cast: Billy Crystal, Alan King, Jobeth Williams	MGM/UA
Miles From Home MPAA Rating: R Running Time: 113 mins. Cast: Richard Gere, John Malkovich, Kevin Anderson	Sage
Running On Empty MPAA Rating: PG-13 Running Time: 118 mins. Cast: Judd Hirsch, Christine Lahti, River Phoenix, Martha Plimpton	Warner Bros.
Stealing Home MPAA Rating: PG-13 Running Time: 98 mins. Cast: Mark Harmon, Jodie Foster, Harold Ramis	Warner Bros.
They Live MPAA Rating: R Running Time: 95 mins. Cast: Roddy Piper, Keith David, Meg Foster, Raymond St. Jacques	Universal

June	Source
The Accused MPAA Rating: R Running Time: 110 mins. Cast: Kelly McGillis, Jodie Foster	Paramount
Clara's Heart MPAA Rating: PG-13 Running Time: 108 mins. Cast: Whoopi Goldberg, Michael Ontkean, Kathleen Quinlan, Neil Harris	Warner Bros.
Dead Ringers MPAA Rating: R Running Time: 116 mins. Cast: Jeremy Irons, Genevieve Bujold	20th Century-Fox
Everybody's All-American MPAA Rating: R Running Time: 125 mins. Cast: Dennis Quaid, Jessica Lange, Timothy Hutton	Warner Bros.
Last Rites MPAA Rating: R Running Time: 104 mins. Cast: Tom Berenger, Daphne Zuniga, Anne Twomey, Dane Clark	MGM/UA
Madame Sousatzka MPAA Rating: PG-13 Running Time: 122 mins. Cast: Shirley McLaine, Navin Chowdhry, Twiggy, Peggy Ashcroft	Universal
Tucker: The Man & His Dream MPAA Rating: PG Running Time: 111 mins. Cast: Jeff Bridges, Joan Allen, Martin Landau, Frederic Forrest	Paramount
The Unbearable Lightness Of Being MPAA Rating: R Running Time: 173 mins. Cast: Daniel Day-Lewis, Juliette Binoche, Donald Moffat	Orion

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.
Film information provided to *Cablevision* by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	ADDRESSABLE SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events.	500,000
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,300,000
Request Television	November 27, 1985	R-1: Satcom III-R, tr.19 R-2: Satcom III-R, tr.4	VideoCipher II	Two channels offering movies and special events.	4,500,000
Tuxxedo Network	December 1, 1987	Galaxy II, tr. 10	VideoCipher II	Adult movies and special events.	304,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Two channels of movies and special events.	5,000,000

blevision Of Okeechobee will be using BSI's 6.1 model MIS equipment as of this month. The Florida-based Cablevision Industries affiliate will get five BSI terminals and link them to a remote site in nearby Morehaven.

- **MGM UA** has hired The Weather Channel for forecasting duty when *In The Heat Of The Night* conducts exterior shooting in and around Covington, Ga. MGM can call on TWC meteorologists for detailed 24-hour or five-day forecasts at any time during shooting schedules of the NBC drama series. The studio has a dedicated 40,000 square foot soundstage in Covington for the program.

- **C-Cor Electronics** will construct a new manufacturing facility around State College, Pa., the company's home base. Groundbreaking should take place June 1, following approval of an exact site by C-Cor's board. The new plant will occupy up to 50,000 square feet and have capacity for 300 employees. When completed, the facility will house all of the company's current State College manufacturing programs; other company departments will be maintained at C-Cor headquarters and a separate manufacturing plant in Altoona, Pa., will not be affected.

- **Renegade Productions'** distribution of monthly *What To Watch* customer service kits has broken the 100 system mark. ATC's Erie, Pa., outlet is among the latest takers for the venture, which uses video preview shows and supporting print guides to brief CSRs on industry news and upcoming features.

Quarterly Earnings Report

Dollar amount in thousands

Company (Quarter/Fiscal Year)	Revenues	%change	Operating Profit	%change	Net Income	%change
ATC (1st/89)	$232,734	20.2	$59,672	24.6	$19,825	13.1
Century Communications (3rd/89	49,422	20.9	6,246	-35.5	-9,421	-1,429.4
General Instrument (4th/89)	328,774	11	30,339	-2.3	20,639	6.1
Jones Intercable (3rd/89)	16,768	9	8,149	-36	-5,923	-122
Scripps-Howard Broadcasting (1st/89)	67,961	11.4	10,847	22.6	1,877	48.4
TCA Group (1st/89)	18,294	12	9,540	15.2	2,881	34.8

Correction

C4 Media Cable has roughly 32,000 subscribers now and anticipates reaching 50,000 by the end of the year. A quotation contained in a sentence in an article in the April 10 issue incorrectly implied that C4 Media was not now active in system ownership.

CableVision regrets the error.

AN INVITATION

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NCTA CONVENTION
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MIDWEST OFFICE
(913) 273-0017

CABLE STATS

Subscriber Counts

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	387	9,000,000
Alternate View Network	300	4,500,000
Arts & Entertainment Network (A&E)	3,000	38,000,000
Black Entertainment Television	1,800	22,228,000
CNBC	N/A	13,000,000
Cable News Network	11,860	50,293,000
Cable Value Network	1,850	21,000,000
CBN Family Channel	8,303	44,277,000
C-SPAN	3,100	41,500,000
C-SPAN II	575	16,500,000
Country Music Television	1,092	9,124,974
The Discovery Channel	5,000	40,642,000
Eco	300	1,000,000
ESPN	9,500	50,902,000
Eternal Word Television Network	490	10,800,000
Family Guide Network	60	4,500,000
FamilyNet	54	1,200,000
The Fashion Channel	650	10,100,000
Financial News Network	3,500	33,412,000
FNN/Score	1,600	19,800,000
FNN/TelShop	1,350	14,800,000
Headline News	3,410	35,774,000
Home Shopping Network	1,463	16,685,344
Home Shopping Network II	359	6,490,550
The Inspirational Network	920	9,500,000
International Television Network	25	7,868,900
KTVT	417	3,600,000
The Learning Channel	990	15,100,000
Lifetime	3,800	42,757,000
Mind Extension University	84	2,200,000
MTV	5,405	46,070,000
Movietime	342	11,500,000
The Nashville Network	7,741	44,835,000
National College Television	147	5,800,000
Network 1 USOA	N/A	N/A
Nick At Nite	3,440	39,600,000
Nickelodeon	6,600	45,500,000
The Nostalgia Channel	305	4,000,000
Prevue Guide	394	10,000,000
QVC Network	1,033	14,000,000
RFD TV	30	2,182,190
Shop Television Network	119	5,100,000
Silent Network	404	12,300,000
SportsChannel America*	N/A	1,500,000
Superstation TBS	9,426	49,190,000
Telemundo**	5	100,000
TNT	1,512	26,500,000
The Travel Channel	400	11,000,000
Trinity Broadcasting Network	725	9,100,000
Univision**	466	4,719,000
USA Network	10,100	47,296,000
VH-1	2,530	32,139,000
Vision Interfaith Satellite Network	315	6,200,000
The Weather Channel	3,600	38,174,000
WGN-TV	11,415	24,900,000
WWOR-TV	2,600	12,500,000
WPIX-TV	858	9,678,474

Bonus/basic services

American Movie Classics	1,700	15,500,000
Bravo	375	2,000,000

Pay services

American Exxxtasy	35	27,000
Cinemax	3,650	6,600,000
The Disney Channel	5,700	4,337,300
Home Box Office	7,400	17,000,000
The Movie Channel	3,250	2,700,000
The Playboy Channel	526	470,000
Showtime	6,000	6,600,000

Audio services

Cable Radio Network	49	1,556,736
Galatic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,578,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000

Computer services

DBC/MarketWatch	462	9,200,000
X*Press Executive	457	14,000
X*Press X*Change	457	14,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Consumer Classified Ad Network	3	195,000
Fuji Network	3	12,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Pay services

Nippon Golden Network	5	13,600

Interactive services

Basic services	Affiliates	Subscribers
Video Jukebox Network	10	340,000

Regional services

Basic services	Affiliates	Subscribers
Arizona Sports Programming Network	N.A.	210,000
Atlanta Interfaith	7	180,000
Bay Area Religious Channel	6	113,000
Cable TV Network of New Jersey	34	396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,200,000
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,300,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	594,000
Niagara Frontier Sports Network	13	800,000
Northwest Cable Sports Network	3	700,000
Pennarama	28	750,000
Prime Cable	9	381,938
Prime Sports Network	11	300,000
Prime Ticket	94	3,000,000
SportsChannel (Chicago)	50	1,507,270
SportsChannel (Ohio)	2	280,000
Sunshine Network	200	2,310,000

Pay services

Home Sports Entertainment	250	1,000,000
Home Team Sports	125	1,200,000
New England Sports Network	171	317,201
Prism	87	427,000
Pro-Am Sports	173	523,000
SportsChannel (Florida)	20	470,000
SportsChannel (New England)	154	1,028,431
SportsChannel (New York)	100	1,300,000
Z Channel	73	110,010

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.

N/A denotes information not available.

***Count represents standalone affiliates/subscribers; portions of SC America are carried on Home Team Sports and the SportsChannel family of regional services.**

****Spanish-speaking households.**

Announced services

Satellite-fed services	Expected launch
American Western Network	4th Quarter 1989
The Asia Network	3rd Quarter 1989
Career Channel Network	10/89
CD/8: The Digital Music Network	6/89
The Computer Channel	8/89
Digital Cable Radio	4th Quarter 1989
Digital Radio Channel	4th Quarter 1989
The Gaming Network	3rd Quarter 1989
Interactive Game Network	3rd Quarter 1989
Kids Information Network	2nd Quarter 1989
The Landscape Channel	2nd Quarter 1989
Laugh TV	3rd Quarter 1989
Maximum Entertainment Network	9/89
Mizlou Sports News Network	3rd Quarter 1989
Music Image Channel	11/89
Spanish TV News Network	5/89
Talk Television	3rd Quarter 1989
Ultravision	8/89

Non satellite-fed services	Expected launch
ACTV	3rd Quarter 1989
Main Street	2nd Quarter 1989

CableVision

ORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

MAY 2

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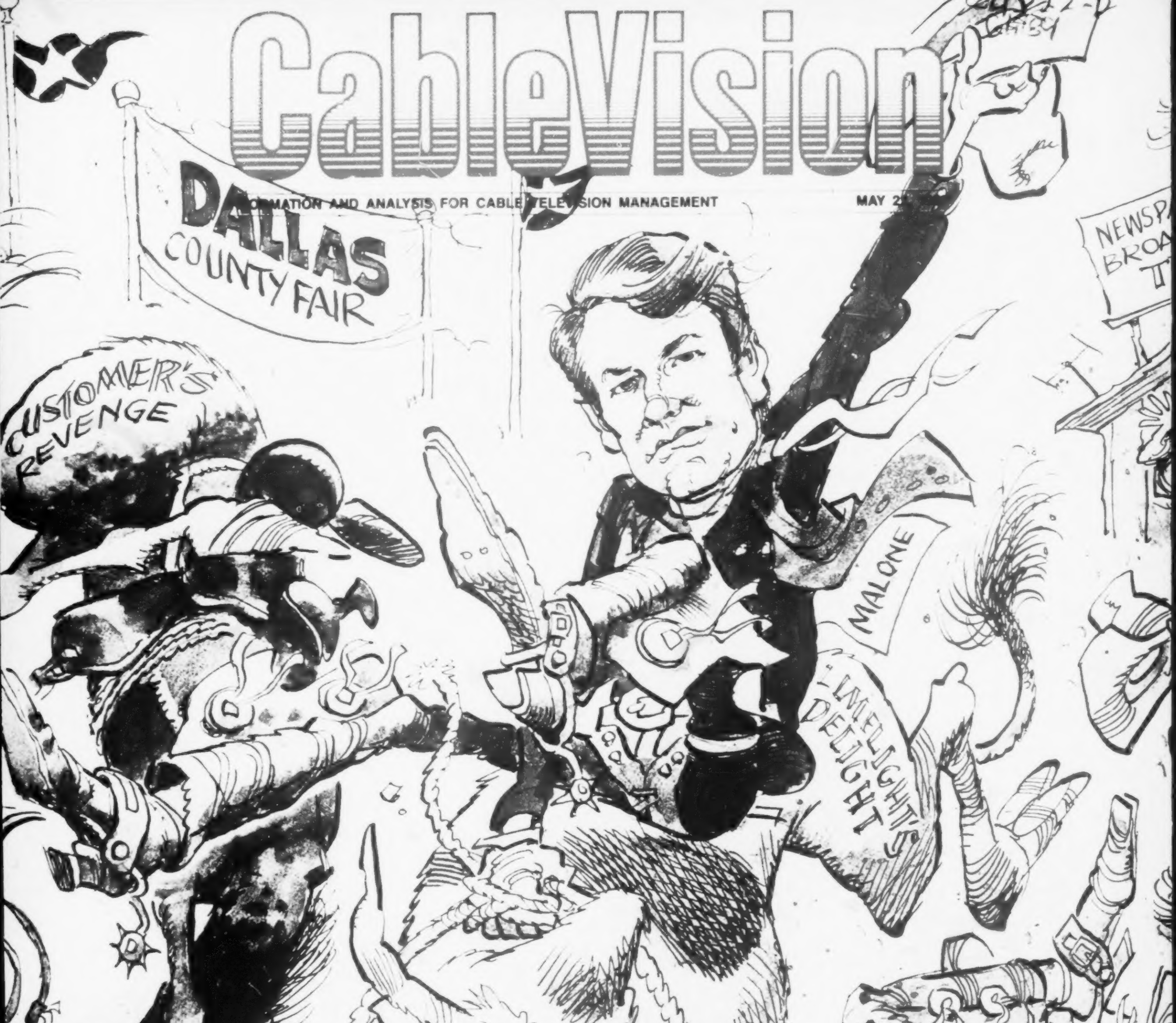

DALLAS
COUNTY FAIR
CUSTOMER'S REVENGE
MALONE
LIMELIGHT'S DELIGHT
NEWSPA
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CHALLENGES . . .

Cable
INFORMATION AND ANALYSIS FOR CABL

INFORMATION

Pushing the bandwidth ceiling. 12
Operators already inundated by new system topology designs now can mull advances by a number of vendors offering 750 MHz and, possibly, even 1 GHz.

UAE merger enters home stretch. 16
The SEC finally has given proxy approval to the United, UACI and Daniels proposed combination, allowing stockholders to vote on the merger at month's end.

Rogers remains busy in Canada. 16
Ted Rogers is putting proceeds of the sale of his U.S. properties to good use by upgrading his Canadian systems and by moving into the long-distance market.

HBO plans launch of comedy channel. 20
It's a firm go for launch of an ad-supported basic comedy channel by HBO by the end of the year amid signs that Viacom is holding off on similar plans.

Malone tempts the broadcasters. 24
In a major speech to the National Association of Broadcasters, TCI President John Malone urges stations to become multichannel programming providers.

ANALYSIS

New innovations in home shopping. 28
Seeking wider audiences, many home shopping channels are eyeing more traditional television formats and are urging operators to increase promotion.

MSOs split on best approach to HDTV. 44
A sharp difference of opinion erupts at the top ranks of the industry on whether to pursue a form of advanced TV like that of Faroudja Labs and NBC/Sarnoff, or to await the emergence of true HDTV. Scientific-Atlanta sells its first high-definition B-MAC system.

Viacom vents its frustrations. 106
A $2.4 billion antitrust lawsuit filed against Time Inc. is seen as the manifestation of Viacom's long struggle to pull even with its competitor.

Facing dizzying new ideas at franchise renewal time

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Learning how to make friends at City Hall

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Vision

LEVISION MANAGEMENT MAY 22, 1989

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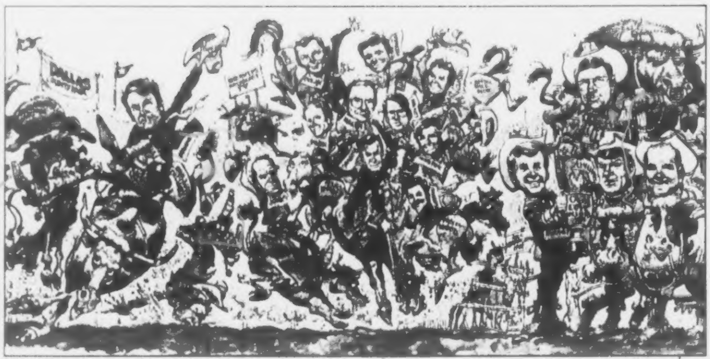
COVER STORY

Mooney's message: all politics is local. . . .54
NCTA President Jim Mooney, respected as among Washington's best lobbyists, warns that controversies arising in individual communities are making it more difficult to advance the industry's agenda on Capitol Hill.

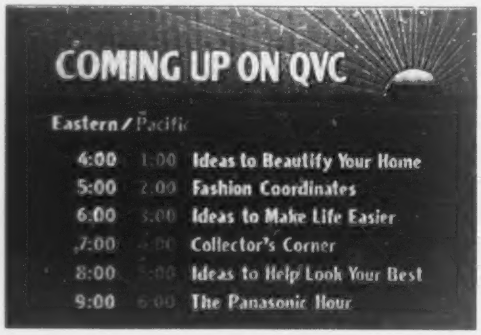
Miron steps to the plate. 66
Newhouse Broadcasting President Robert Miron has long toiled in the cable vineyards, and now he is expected to be elected NCTA chairman. In an interview, he offers his views on several critical issues, and describes the challenges he sees ahead.



Baseball on cable: a game of extra innings. 72
Cable-bashers loudly complain that the national pastime is being stolen from free TV to become a game seen only in paying homes. But an analysis shows that the trend is toward more games on all forms of television, with broadcasting still leading the league.

Pitfalls and strategies in franchise renewal. 80
It's been more than a decade since the franchising frenzy of the late 1970s, and more than 1,500 systems are going down to City Hall asking for renewals. Often they are encountering a feisty mood among officials still smarting over the Cable Act and seeking new means of reasserting some controls.

Dark past, brightening future in Dallas. 98
Because it is hosting the NCTA convention, there is more than the usual attention in Dallas as to how cable is faring in what was among the first metro newbuilds. Despite its stormy past, cable is addressing its problems and winning new friends.



COMING UP ON QVC

Eastern	/ Pacific	
4:00	1:00	Ideas to Beautify Your Home
5:00	2:00	Fashion Coordinates
6:00	3:00	Ideas to Make Life Easier
7:00	4:00	Collector's Corner
8:00	5:00	Ideas to Help Look Your Best
9:00	6:00	The Panasonic Hour

Lots of programming innovations are coming up at home shopping channels

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Newhouse's Robert Miron, discussing issues and describing the future

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ABP BPA

What's On The Pays/May

Cinemax

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
A Breed Apart	R	Hemdale
A Time For Killing	NR	Columbia
A Walk In The Spring Rain	PG	Columbia
And God Created Woman	NR	Vestron
Beach Balls	R	Concorde
Border Heat	NR	Manson
Cherry 2000	PG-13	Orion
C.H.U.D. II	R	Vestron
Crazy Moon	PG-13	Miramax
Dead Heat	R	New World
The First Deadly Sin	R	Warner Bros.
The Furies	NR	Paramount
Georgy Girl	NR	Columbia
Gothic	R	Vestron
The Howling III The Marsupials	PG-13	Vestron
Malombra	NR	Playboy
Manon Of The Spring	PG	Orion
Meatballs III	R	The Movie Store
Police Academy V Assignment Miami Beach	PG	Warner Bros.
The Revenge Of Frankenstein	NR	Columbia
Slamdance	R	Island
The Violent Men	NR	Columbia
You're Never Too Young	NR	Paramount

Original Programming/Specials

The Movie Trivia Show

Highlights

Funny Farm	R	Warner Bros.
The Manchurian Candidate	NR	MGM/UA
Sessions: The Neville Brothers Tell It Like It Is		
The Seventh Sign	R	Tri-Star

The Disney Channel

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Barnum	NR	Hal Roach
Chad Hanna	NR	20th Century-Fox
The Dirt Bike Kid	PG	Worldvision
The Electric Horseman	PG	Universal
Fiddler On The Roof	G	MGM/UA
Flower Drum Song	G	Sam Goldwyn
The Great Waldo Pepper	PG	Universal
The Haunted School	NR	Revcom
Jack The Giant Killer	NR	MGM/UA
Jeremiah Johnson	PG	Warner Bros.
Kidnapped	G	Disney
Million Dollar Mermaid	G	MGM/UA
The Natural	PG	Columbia
Princess Kate	NR	Revcom
Prisoner Of Zenda	NR	Turner
The Reluctant Astronaut	G	Universal
Snoopy, Come Home	G	CBS
The Wings Of Eagles	NR	MGM/UA

Original Programming/Specials

The Estate Sale
Teen Win, Lose Or Draw (new series)

Highlights

The Adventures Of Johnny Jones	NR	Miramax
Calgary '88—16 Days Of Glory II		
Just Like Family (new series)		

HBO

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
A Time Of Destiny	PG-13	Columbia
Bad Dreams	R	20th Century-Fox
Big Bad Mama II	R	MGM/UA
Born To Race	R	MGM/UA
Casual Sex	R	Universal
Deadly Illusion	R	Cinetel
The Dog Who Stopped The War	G	Miramax
Fatal Beauty	R	MGM/UA
Funny Farm	PG	Warner Bros.
Good Morning, Babylon	PG-13	Vestron
Illegally Yours	PG	MGM/UA
The Invisible Kid	PG	Taurus
Maniac Cop	R	Shapiro

Mayflower Madam	NR	Hal Roach
My Best Friend Is A Vampire	PG	Kings Road
Nasty Hero	PG-13	Orbis
The Outing	R	The Movie Store
Police Academy V		
Assignment Miami Beach	PG	Warner Bros.
Private Road	R	Trans World
Return Of The Living Dead II	R	Lorimar
Savage Streets	R	Vestron
Scared Stiff	R	Fremont
Shakedown	R	Universal
Sunset	R	Tri-Star

Original Programming/Specials

Family Playhouse: What If I'm Gay?
Nature Watch (new series)
On Location: Rodney Dangerfield Opening Night At Rodney's Place

Highlights

How To Raise A Drug-Free Child
Not Necessarily The News (new format premiere)
Robert Townsend & His Partners In Crime III
Third Degree Burn

The Movie Channel

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Bad Dreams	R	20th Century-Fox
Big Bad Mama II	R	MGM/UA
Bloodsport	R	Cannon
Castaway	R	Cannon
Casual Sex	R	Universal
Cherry 2000	PG-13	Orion
Cold Steel	R	Cinetel
Cyclone	R	Cinetel
Hollywood Uncensored	NR	Castle Hill
Lady Beware	R	Video Media
Lucky Jim	NR	Viacom
Maid To Order	PG	Carolco
Making Mr. Right	PG-13	Orion
Number One With A Bullet	R	Cannon
Rolling Vengeance	R	Apollo
Scarecrows	R	MCEG
The Scoundrel	PG	Universal
South Of Reno	R	Castle Hill
Summer Heat	R	Atlantic
Three Men And A Cradle	PG-13	Sam Goldwyn

Original Programming/Specials

Firstworks: Susan Siedelman

Highlights

Colors	R	Orion
Lady In White	PG-13	New Century/Vista
Sunset	R	Columbia
Three Men And A Baby	PG	Touchstone

Showtime

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
The Brass Ring	NR	Film Gallery
Casual Sex	R	Universal
Classified Love	NR	CBS
The Couch Trip	R	Orion
Down Twisted	R	Cannon
The Hanoi Hilton	R	Cannon
House Of Games	R	Orion
Lady In White	PG-13	New Century/Vista
The Longest Night	NR	Universal
Macaroni	PG	Paramount
Making Mr. Right	PG-13	Orion
Never Con A Killer	NR	Columbia
Our Family Business	NR	Warner Bros.
Peter No-Tail In America	G	Atlantic
The Quest	PG	Miramax
The Savage Innocents	NR	Paramount
Shakedown	R	Universal
Some Kind Of Wonderful	PG-13	Paramount
Stormy Monday	R	Atlantic
Street Smart	R	Cannon
Tail Of The Tiger	NR	Miramax

Original Programming/Specials

Brothers (final original episodes)
Frank, Liza & Sammy: The Ultimate Event
Pink Floyd: The Delicate Sound Of Thunder

Highlights

Brothers (final original episodes)		
Colors	R	Orion
Hairspray	R	Universal
Three Men And A Baby	PG	Touchstone

Exploding the perception that cable is stealing baseball

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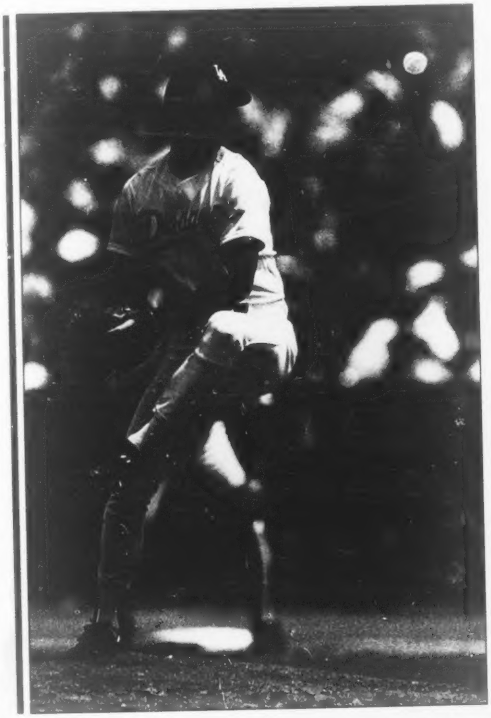
By Wayne Friedman

Baseball's wholesale swing to cable is more hysteria than a hit.

Cable, TV station and baseball club executives don't believe that baseball will become strictly a "pay" television proposition anytime soon. The national pastime, these executives agree, will co-exist on TV stations and regional cable networks for years to come. The reality is that advertising time both for stations and local cable affiliates has been growing concurrently.

The New York market has been the prime instigator in creating this station-to-cable exodus story, says Bill Aber, vice president and general manager of Washington-based regional cable channel Home Team Sports. But he says it isn't true for the U.S. marketplace as a whole. "Things that happen in New York are not always the same things happening across the country," Aber says wryly.



Los Angeles Dodgers pitching ace Oral Hershiser is now a Z Channel attraction

Still, developments in the nation's largest market have created the perception among newspaper critics, fans and now politicians that there is a threat that cable is stealing baseball. For the last couple of years, the fight for the television rights to Yankees games has given New York cable operators a couple of black eyes. The Bronx Bombers' previous cable outlet, SportsChannel, forced the club to reduce the number of games on WPIX-TV from about 100 to around 50. This transpired while SportsChannel increased the number of its Yankees games from 40 to 100. Litigation followed the usual rash of accusations from fans and the team.

Next came MSG Network. Last December it agreed to buy 12 years worth of New York Yankee baseball for $500 million—the first time ever a local baseball team sold all its rights to a cable entity. In the short term, however, the Yankees will honor its ongoing contract with WPIX, allowing the station to air 75 games this season and next. MSG also will air 75 contests for the next two seasons, but starting in 1991 all rights will be owned by MSG.

The reality of the situation is that neither New York nor the rest of the country appears to be in a race for moving all local over-the-air baseball games on stations to regional cable networks. The financial structures and overall marketing strategies have kept and will keep clubs in a two-outlet television strategy—broadcast and cable.

The hard truth is that the number of baseball games on cable and TV stations has risen over the last few years. This year, 1,647 games will be aired on local TV stations, up 13 games from the year before. Local cable telecasts are at 1,061 games this season, up 31 from the year before.

Stations are not only seeing a rise in the number of games, but also in viewership. This defies the general television trend in which broadcast viewing shares are declining at the expense of cable. Ratings have climbed from an 11.8 Arbitron average of 20 reporting baseball markets in 1984, to a 12.5 number in 1987 to a 13.0 last year.

While the number of baseball games on cable has, indeed, grown significantly over the last few years—from 820 games in '84 to 1,061 this year—those extra games haven't necessarily been siphoned from over-the-air stations. That's because many teams who have added cable packages in recent years, with the exception of New York, simply have added home televised games to the mostly away-game package that broadcast stations run. In some cases, where local stations are network affiliates—and thus are contractually limited in preemptions—cable has also benefitted.

> 'Things that happen in New York are not always the same things happening across the country.'
>
> *—Bill Aber, vice president, Home Team Sports*

"We have maintained the number of over-the-air games because we are using it as a marketing tool to sell our product," says Jim Winters, director of broadcasting for the San Diego Padres. The Padres are the only team that retains over-the-air television rights in order to sell a package of advertising product to clients, including signage, radio and promotion.

The Padres also work in partnership with Cox Cable on a pay-per-view network. In contrast with its station exposure, Cox, not the Padres, sells all advertising. Why? "You are not talking about a great number of (PPV) dollars," says Winters. "And our plate is pretty full." Since 1986 the Padres basically have kept the same split on its games. This year the team will have 51 over-the-air and 41 cable telecasts.

Some teams actually have increased the number of over-the-air games as compared to cable. The San Francisco Giants added 10 games to KTVU-TV's lineup this year, while the 36 games on its Giantsvision pay-per-view service remained the same. The St. Louis Cardinals have grown from 44 over-the-air games two years ago to 56 last year, to 60 this year, while its pay-per-view network has stayed in a 50-game season format since 1986. Thanks to the MSG Network deal, the New York Yankees' station exposure also will jump from 53 to 75 games, while cable exposure is reduced from 100 to 75.

Although both stations and cable have grown consistently over the last few years, cable could be moving at a faster pace in the next few years by adding markets. Out of the 20 baseball markets, there are six in which there is no cable exposure—Kansas City, Cincinnati, Oakland, Seattle, Milwaukee and Cleveland. Not surprisingly, existing cable networks and budding regional cable channels are looking into grabbing up some of those rights.

It will be hard going in Seattle. The struggling Mariners opted for exclusive over-the-air exposure with 60 regular season games airing on KSTW-TV for the next three seasons. TCI of Seattle and Viacom, two of the area's larger systems, had been vying to wrest control of the Mariners for a cable-only exposure that would have started with the current season.

That's not what the Mariners wanted, says Bill Knudsen, vice president of marketing and sales for the team. It demanded that at least 25 games up to a maximum of 65 be shown by an over-the-air station. So TCI went looking for a station partner but couldn't reach an agreement with any. Why not? Knudsen doesn't know "other than, I guess, the normal competitiveness of over-the-air television with cable." Still, Knudsen would like to deal with TCI for a cable package in the future.

The Oakland Athletics, which have a unique two-station contract with CBS affiliate KPIX-TV and independent KICU-TV, are close to striking a deal with the newly-formed Bay Area Sports Network, according to David Rubinstein, president of SportsSales, which represents the team.

Rubinstein says that cable will provide additional revenue through incremental games. There are no plans to take away over-the-air games. "As far as the public is concerned, I think we are providing a wonderful service (if we can add more games)," says Rubinstein. "All they have to do is watch 8,000 Budweiser commercials," he jokes. "That's a small price to pay."

The Cleveland Indians already have received offers from the new SportsChannel Ohio regional cable network and from Prime Sports Network, the Denver-based new regional that has associations with Texas-based Home Sports Entertainment and Florida's Sunshine Network. Dennis Lehman, vice president of operations for the team, says "We've been talking about it. There's a 50-50 chance of doing it this season." The Tribe will broadcast 50 road and 10 home games on WUAB-TV for 1989. As far as cable is concerned, Lehman doesn't see any conflict: "We can all live together. It gives the club additional impressions and exposures."

The Milwaukee Brewers are also in the hunt. Bill Haig, vice president

> **'We have maintained the number of over-the-air games because we are using it as a marketing tool to sell our product.'**
>
> *—Jim Winters, director of broadcasting, San Diego Padres*

of broadcast operations, says he is seeking a cable alternative. "We are exploring those possibilities," he says. "It's a matter of making the proper economic deal."

A more cautious mindset exists at the Kansas City Royals. Dennis Cryder, the team's vice president of marketing and broadcasting, is in no rush to move on cable. A few years ago the Royals did have a cable package with the now extinct Sports Time service, running 52 cable games in 1984. One regional cable programming executive senses that because the Royals were hurt financially from that deal, that they are not quick to move now. Cryder counters that the Royals did, in fact, benefit financially.

Prime Sports Network has had discussions with the Royals, but Cryder decided to put cable on hold. "At the present time, based on what's happening on the national level with the ESPN package, 1989 would be a lame duck year. Therefore, we opted to see what's in store for baseball and the club next year," Cryder says.

ESPN is indeed a concern to operators who sell local cable games, as well as to station executives. With ESPN's 175 games coming into all the markets throughout the season, the hope is that there won't be a glut of inventory. The affect, says Dick Barron, executive vice president of Home Sports Entertainment, is "going to be something, but not very significant."

HTS's Aber says the elimination of NBC's 30-odd Saturday afternoon games and the introduction of 13 CBS Saturday afternoon games and ESPN's 175-game schedule starting next year means only positive things to cable networks and operators who sell local time.

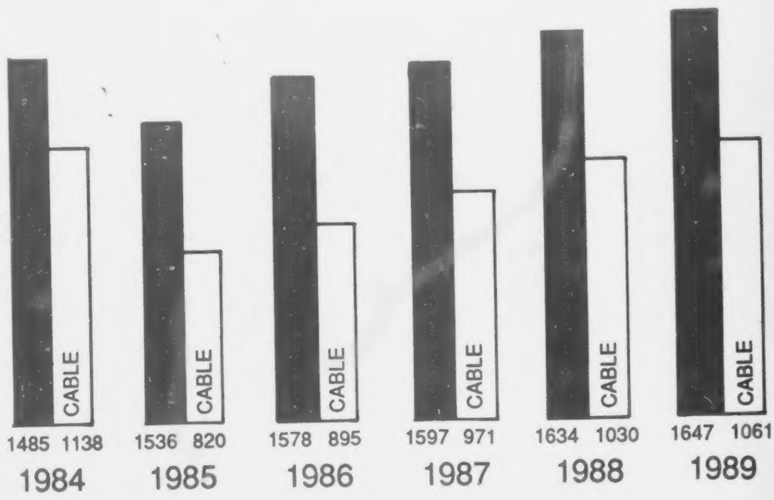
"It's a net plus that I have only ESPN as competition," he says, because ESPN's games are mostly non-exclusive. Aber says now that the Saturday afternoon time slot is partially available, it could mean an opportunity for cable networks to air more games on that day. Bill Crowell, general manager of the Cable Advertising Network of Greater St. Louis interconnect, also sees benefits. "We'll be able to package St. Louis Cardinal baseball with ESPN's games," he says.

A few station general managers aren't happy about this scenario. Kevin O'Brien, vice president and general manager of KTVU-TV San Francisco, which recently signed a multi-year contract with the Giants, has been outspoken about the impact of the ESPN package. "There is no question that this is going to have a negative impact on the unit price we get for baseball, simply because you are tripling the amount of available inventory for baseball," he says.

Don Stuart, president of The Baseball Network, an "unwired" network that buys time from stations' televised baseball games, believes just the opposite. "I think ESPN entry into the baseball market will *increase* revenue. Advertisers, instead of looking at other sports, will go to baseball."

Working against ESPN is the popular notion that, whether on cable or on stations, baseball is a

Baseball games on television



Source: Major League Baseball

local sport. It draws a higher percentage of local viewers than any national game can during the regular season.

Detractors are keenly aware of this, and say that is why both ABC and NBC did not bid aggressively for nationally televised baseball, leaving the field to ESPN and CBS, which have four-year contracts starting next season. National broadcast ratings slipped from a 9.4 Nielsen NTI average in 1986 to a 8.0 last year for ABC. NBC also witnessed a numbers drop, from a 6.4 in 1986 to a 5.6 last year. What the networks learned is that viewers have been moving more toward local games than national ones in which they have limited interest.

> 'As far as the public is concerned, I think we are providing a wonderful service (if we can add more games). All they have to do is watch 8,000 Budweiser commercials. That's a small price to pay.'
>
> *—David Rubinstein, SportsSales, which represents the Oakland Athletics*

Advertisers predict that, because of these viewership realities, ESPN—except perhaps for its exclusive Wednesday night window—will be bringing in not more than a 1 to a 3 rating in its cable universe. That would hardly be a threat to over-the-air outlets that average 10 to 20 ratings for an entire ADI.

Norm Andrus, general sales manager of the Bay Area Interconnect, says about the incursion of ESPN games, "it's a hiccup." With $400 million total television dollars in the Bay Area marketplace, the interconnect grabs about $10 million a year. This compares to $75 million that KTVU-TV generates and $60-$70 million that CBS affiliate KPIX-TV sells. He sees the money as incremental income.

Bob Bubeck, general manager of the Greater Philadelphia Cable Interconnect, agrees. "No, I don't think it'll do significant damage (locally)—maybe for the NBC affiliate (KYW-TV) that's traditionally picked up some dollars on Saturday afternoon." Bubeck says if one car dealer has a lock on the over-the-air station, it might give another dealer a chance to play in local baseball.

"I don't see it generating new advertising categories because (baseball) is on ESPN," adds Crowell. And will it hurt KPLR-TV in St. Louis? "Frankly, no." But upon further inspection, Crowell does admit: "We might get into their knickers a little bit."

The ESPN package of 175 games offers two minutes an hour of local advertising time to cable operators, the same quantity that systems usually receive from the sports network. While Andrus appreciates being able to sell two minutes of baseball spots locally from ESPN, it plainly isn't enough. "That's nothing," he says. "I can only sell two car dealers in an hour." As compared with KTVU's local games, "they got a (commercial) break after every inning," he says. "I don't." That means far more packaging and promotion opportunites. He also says many national advertisers like to buy multiple spots during a game.

"Four minutes of time would be fabulous, because there would be enough inventory time for the local, regional and national (cable) companies to co-exist," says Bubeck. "With two minutes an hour it's going to be a tough co-existence with all of them... because you are only talking about five minutes a game." Bubeck isn't complaining, though: "It's better than nothing."

What Major League Baseball has done with its current strategy of boosting local and national games is to provide for a greater advertising base from which to draw revenue, to help fund the explosive growth of players' salaries and to fill owners pockets. It doesn't really matter where the dollars come from. "The owners sit on both sides of the fence," says Pat Twyon, vice president and director of sports for television sales rep firm Petry Television.

Right now, says HSE's Barron, even if the regional network wanted to it couldn't afford to buy all TV rights to its local baseball clubs. Also, "(The public) needs to see the game... and if we put them all on cable, then we hurt the gate... It's a great promotion tool—broadcast and cable. Why deny (owners) part of it?"

MSG already is in this position of total television rights ownership. Bob Gutkowski, executive vice president of MSG Communications Group, says it is probable that games will be sold to WPIX after the initial two-year, 75 games a year period is up.

But MSG doesn't want to rush into any kind of 12-year over-the-air deal right now. "We don't know," he says. "It's too early right now, and we've got the Yankees for a long time." ■

The
CABLE
POLL

Midwest CATV & CableVision Magazine

Few fear losing business to telcos

More than half of all cable operators do not believe the telephone company in their area is interested in entering the cable business, and the operators said that if they do have to compete with the telco, only about one in four fear they would lose business.

Interviewed for the Cable Poll©, operators most frequently mentioned improvements in customer service as the best tactic to withstand the competitive threat from telcos and possibly other video providers, a factor cited in 35 percent of responses. Enhancements in the number and selection of channels offered was the next most frequently proposed strategy of meeting a competitor and was cited by 31 percent of those interviewed. Interestingly, improving service reliability and better picture quality were cited by only a handful of operators as the best tactics to employ in confronting a challenger, cited by 15 percent and 14 percent, respectively, of respondents.

Overall, only 40 percent of operators interviewed said they believe the telephone company in their area is interested in entering the cable business in some fashion, but of that group nearly half (47 percent) said the telco likely would attempt an overbuild. Twenty-one percent saw the expected telco entry in the less threatening manifestation as the provider of services to the cable system, while 13 percent of those who expect telco entry said the foray probably would come in an attempt to buy their system. However, 31 percent of operators at systems with more than 50,000 subscribers believe the telco inroad would be by buying their system.

Number

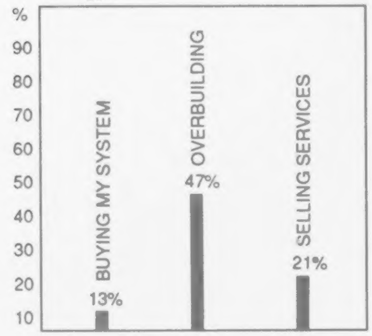
4

in a series of ten

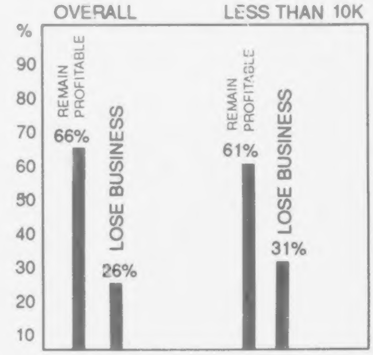
The Cable Poll© is a sampling of industry opinion conducted on a regular basis by Ryan/Samples Research Inc. for Midwest CATV and *CableVision* magazine. Telephone interviews for this edition of the poll were conducted March 13-23; a total of 400 interviews were completed using a listing of system management personnel obtained from CableFile. Cable Poll© researchers are 95 percent confident that the results are accurate within plus or minus 4.9 percentage points.

Asked if their local telephone company were allowed to compete with them in providing cable service, 66 percent of all respondents said they believed that their system would continue operating profitably. Only 26 percent said they thought that they would lose business to a competing telco. Interestingly, that division of opinion mostly remains the same whether the operator questioned ran a large, medium or small system, or whether he or she ran a system owned by a large or small MSO. To the degree there is a greater fear of losing business to a competing telco, it is by operators at systems with less than 10,000 subscribers. In that category, 30 percent said they would lose business. ■

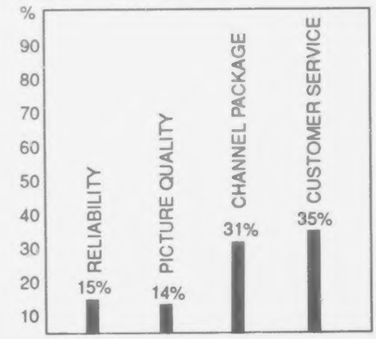
What do you think is the telephone strategy?



How would you fare competing with a telco?



What areas of your system need improving to withstand competition?



QUARTERLY EARNINGS REPORT

Dollar amount in thousands

Company (Quarter Fiscal Year)	Revenues	%Change	Operating Profit	%Change	Net Income	%Change
Capital Cities/ABC (1st/89)	$ 1,120,441	-13	$ 163,835	-1.8	$ 82,773	15
C-Cor Electronics (3rd/89)	14,337	33.9	1,155	51.7	1,155	98.7
Centel Cable (1st/89)	42,800	14.3	6,160	20.5	2,159	16.3
Jones Spacelink (3rd/89)	19,393	2	9,167	42	-1,229	-116
Knight-Ridder (1st/89)	540,744	9.4	58,503	.5	20,489	-39.3
Media General (1st/89)	149,266	-19.7	10,971	-39.9	11,891	3.5
Scientific-Atlanta (3rd/89)	134,945	5	15,095	20	9,661	24
Times Mirror (1st/89)	846,895	8.5	117,284	7.6	68,787	8.4
United Cable (3rd/89)	77,936	18	-1,322	22	-1,207	38
Washington Post (1st/89)	341,877	6	66,896	31.9	41,500	-71.3
Zenith Electronics (1st/89)	674,500	17	-3,500	-131.4	4,000	-90

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HBO's Abraham wouldn't say whether any programming ventures will emerge from this promotion, but separate deals are certainly possible. "I'm not saying the system preview is a bridge to that, but why not? If we can produce programming for non-competitive outlets. Why not? It's good for us, and it's good for them." ■

Financial/Stocks

- **Clifton Gardiner & Co.** has arranged $1.2 million in financing for Capital Cable, an operator based in Columbus, Ohio. Funds were provided by Merchants National Bank & Trust Co. Capital will use the money for credit and other purposes.

- **Merlin Cable Partners** has received a senior credit line through Phoenix Cable Inc. for two Maine newbuilds. The franchises in question will pass about 1,500 households in Aroostook and Washington counties. The exact amount was not released. Merlin holds contracts for other areas in the state which cover more than 3,000 homes.

Acquisitions

- **Acton Corp.** will exit the system ownership scene by the end of June after selling its last franchise to Jones Intercable for $80.4 million. The Acton system covers 34,000 Anne Arundel County, Md., homes; Jones already operates an adjoining outlet with about 32,000 homes. Acton has been selling off various franchises over the past two years. At one point, the company operated properties reaching more than 75,000 subscribers. The Jones Group handled aspects of the deal.

- **Warner Cable** has agreed to pick up 15 Central and Southwestern

CABLE STATS

Cable Network Ad Performance

Mar. 1989 billings	Mar. 1988 billings	Year-to-year dollar change	Year-to-year percent change
$66,465,809	$52,193,138	$14,272,671	21.4%

Top 10 cable net sponsors/1st Quarter 1989

1.	Time Inc.	$8,293,725
2.	Procter & Gamble	8,073,544
3.	Kohlberg Kravis Roberts (RJR Nabisco)	5,372,542
4.	Philip Morris	5,204,679
5.	General Mills	5,088,123
6.	Anheuser-Busch	$4,901,738
7.	Mars Inc.	4,554,168
8.	General Motors	4,363,245
9.	Sears	2,840,434
10.	Pepsico	2,838,068

Source: Broadcast Advertising Reports data; figures represent combined billings of CBN, CNN, ESPN, MTV, USA and Superstation TBS

	1st Qtr. 1989 billings	1st Qtr. 1988 billings	Year-to-year dollar change	Year-to-year percent change
CBN	$22,699,833	$16,175,526	$ 6,524,307	28.7%
CNN	30,495,779	22,814,936	7,680,863	25.1%
ESPN	42,426,908	30,516,851	11,910,057	28.0%
MTV	25,320,101	17,813,939	7,506,162	29.6%
TBS	59,518,384	45,994,625	13,523,759	22.7%
USA	35,655,623	20,533,739	15,121,884	42.4%

Source: Broadcast Advertising Reports data

Subscriber Universe Estimates

	Total TV households	Cable TV households	Homes passed	Cable percent of TV households
A.C. Nielsen	90,400,000	49,537,730	N.A.	54.8%
Arbitron	90,000,100	46,627,100	N.A.	52.5%
Paul Kagan Associates	89,000,000	45,900,000	76,900,000	51.1%

Subscriber numbers as of Feb. 1989
Nielsen figures include Alaska & Hawaii

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc	6,200,000	(4/89)
2.	American Television & Communications Corp	4,100,000	(4/89)
3.	Continental Cablevision	2,366,297	(4/89)
4.	Warner Cable Communications	1,547,000	(4/89)
5.	Storer Cable Communications	1,530,700	(1/89)
6.	Cox Cable Communications	1,501,500	(4/89)
7.	Comcast	1,453,000	(3/89)
8.	Cablevision Systems	1,354,936	(3/89)
9.	UA Cablesystems	1,339,729	(10/88)
10.	United Cable	1,287,000	(3/89)
11.	Newhouse Broadcasting	1,145,000	(4/89)
12.	Jones Intercable/Spacelink	1,112,375	(4/89)
13.	Heritage Communications	1,100,000	(4/89)
14.	Times Mirror Cable TV	997,156	(1/89)
15.	Viacom Cable	955,000	(4/89)
16.	Cablevision Industries	929,000	(4/89)
17.	Sammons Communications	853,900	(4/89)
18.	Century Communications	800,000	(4/89)
19.	Cooke Cablevision	728,000	(3/89)
20.	Adelphia Communications	720,000	(3/89)
21	Paragon Communications	703,000	(1/89)
22.	Falcon Cable TV	632,500	(3/89)
23.	Centel Cable	592,000	(3/89)
24.	Telecable	570,000	(1/89)
(26) 25.	KBLCOM	558,100	(4/89)
(25) 26.	WestMarc Communications	554,389	(3/89)
27.	Scripps-Howard	531,000	(3/89)
28.	Multivision Cable TV	481,000	(1/89)
29.	Tele-Media	465,292	(4/89)
30.	Prime Cable	455,123	(12/88)
31.	Post-Newsweek Cable	400,000	(1/89)
32.	Lenfest Group	358,524	(3/89)
33.	TCA Group	347,897	(1/89)
34.	Maclean Hunter Cable TV	331,599	(12/88)
35.	Rifkin & Associates	324,000	(4/89)
(37) 36.	Colony Communications	310,100	(3/89)
(36) 37.	Multimedia Cablevision	304,000	(3/89)
38.	TKR Cable	268,195	(12/88)
39.	Western Communications	264,900	(3/89)
(41) 40.	Star Cablevision Group	254,000	(1/89)
(40) 41.	Cencom Cable	253,754	(3/89)
42	Simmons Communications	246,690	(1/89)
43.	Communications Service Inc	228,526	(12/88)
44.	Hauser Communications	226,000	(1/89)
45.	Service Electric Cable TV Inc	211,500	(4/89)
46.	Greater Media	185,800	(3/89)
47.	Harron Communications	177,700	(3/89)
(49) 48.	Columbia International	174,000	(4/89)
(48) 49.	Media General	172,900	(3/89)
50.	Palmer Communications	166,918	(3/89)
51.	Sutton Capital	163,700	(2/89)
52.	Insight Communications	157,700	(4/89)
53	U.S. Cable Corp	154,300	(3/89)
54	Armstrong Utilities	151,800	(3/89)
55	King Videocable	141,158	(1/89)
56	Triax Communications	141,000	(6/88)
(59) 57	Northland Communications	137,148	(4/89)
(57) 58	Summit Communications	136,600	(3/89)
(58) 59	Cable Systems USA	136,500	(4/89)
60	Bresnan Communications	127,351	(1/89)
61	Booth Communications	119,000	(1/89)
62	Sonic Communications	118,000	(12/88)
63	McDonald Group	115,200	(4/89)
64	Susquehanna Broadcasting	113,200	(2/89)
65	United Video Management	106,000	(3/89)
66	Midcontinent Cable Systems Co	102,672	(8/88)
67	Pencor Services	100,400	(2/89)
68	First Carolina Communications	99,500	(3/89)
69	WEHCO Video	93,900	(4/89)
70	Omega Communications	90,500	(3/88)
71	Selkirk Communications	77,500	(3/89)
72	Coaxial Communications	77,000	(3/89)
73	Gilbert Media	72,000	(12/88)
74	James Cable Partners	70,000	(4/89)
75	Douglas Communications	64,100	(3/89)
76	Barden Cablevision	62,700	(3/89)
77	Cardinal Comunications	58,900	(12/88)
(80) 78	C-TEC Cable Systems	58,000	(4/89)
(78) 79	Prestige Cable TV Inc	57,500	(3/89)
(79) 80	Hearst Communications Of California	57,410	(12/88)
81	State Cable TV	54,500	(12/88)
82	Joseph Gans Cable TV	54,000	(12/88)
83	Pagnotti Inc	52,590	(12/88)
84	Telesat Cablevision Inc	52,590	(12/88)
85	Bachow & Elkin Communications	51,700	(1/89)
86	Galaxy Cablevision	51,700	(3/89)
87	Leonard Communications	51,700	(12/88)
88	Helicon Corp	50,000	(4/89)
89	New England Cablevision	49,000	(4/89)
90	Rock Associates	47,500	(3/89)
91	Dontey Media Group	47,500	(3/89)
(93) 92	CableSouth Inc	42,100	(2/89)
(95) 93	CableAmerica	42,000	(2/89)
(92) 94	Cable Holdings Inc	41,800	(3/89)
(94) 95	Eastern Connecticut Cable TV	41,444	(9/88)
96	Fanch Communications	41,000	(11/88)
97	Acton Corp	40,400	(3/89)
98	Star Cable Associates	40,000	(12/88)
99	Fairbanks Communications	36,400	(3/89)
100	ParCable	36,142	(5/89)

( ) **Rank last listing**

Subscriber counts are provided by MSOs and systems to Cable Vision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 432 Park Avenue So., Suite 1313, New York, NY 10016.*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Long Island, NY	Cablevision Systems	458,453	(3/89)
2.	Woodbury (Long Island), NY	Cablevision Systems	455,643	(3/89)
3.	San Diego, CA	Cox Cable	300,000	(4/89)
4.	Orlando/Melbourne, FL	ATC	298,000	(2/89)
5.	Manhattan, NY	ATC	225,000	(12/88)
6.	San Antonio, TX	KBLCOM	221,894	(12/87)
7.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
8.	Puget Sound, WA	Viacom	203,000	(6/88)
9.	Phoenix, AZ	Times Mirror	200,000	(10/88)
10.	Houston, TX	Warner	196,800	(1/89)
11.	Honolulu, HI	ATC	194,000	(3/88)
12.	Chicago (suburbs), Il	Continental	177,208	(2/89)
13.	Hartford/Plainville/Vernon, CT	United	172,289	(5/88)
14.	Wayne, NJ	UA Cablesystems	172,008	(4/89)
15.	Cleveland, OH	Cablevision Systems	164,928	(3/89)
16.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
17.	Cincinnati, OH	Warner	163,552	(1/89)
18.	Rochester, NY	ATC	163,000	(10/88)
19.	Cherry Hills, NJ	NYT	162,000	(1/89)
20.	Denver (suburbs), CO	United	161,002	(5/88)
21.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
22.	Tulsa, OK	United	157,412	(2/89)
23.	Fairfax, VA	Media General	157,000	(11/88)
24.	Connecticut Complex	Cablevision Systems	154,727	(3/89)
25.	Atlanta, GA	Prime Cable	153,557	(3/88)
26.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
27.	Chicago, IL	TCI	148,857	(4/89)
28.	Kansas City, MO	ATC	147,000	(2/89)
29.	San Jose/Campbell, CA	Heritage	140,000	(1/89)
30.	Memphis/W. Memphis, TN	ATC	140,000	12/88)
31.	Charlotte, NC	ATC	139,000	(12/88)
32.	Pompano, FL	Continental	136,793	(2/89)
33.	Baltimore County, MD	Comcast	136,096	(6/88)
34.	Manhattan, NY	Paragon	136,000	(4/88)
35.	St. Louis, MO	Cencom	132,992	(3/89)
36.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
37.	San Diego, CA	ATC	132,000	(12/88)
38.	Martin/Stuart Co, FL	Centel	128,566	(3/89)
39.	San Francisco, CA	Viacom	123,000	(6/88)
40.	Seattle, WA	TCI	120,518	(1/89)
41.	Austin, TX	ATC	120,000	(12/88)
42.	Warren, NJ	TKR	116,174	(2/89)
43.	Toledo, OH	Blade Communications	108,861	(5/88)
44.	Chicago Suburbs, IL	Centel	108,326	(3/89)
45.	Dallas, TX	Heritage	107,680	(5/88)
46.	San Juan, PR	Multivision Cable	106,450	(12/88)
47.	Southeast Michigan	Comcast	104,803	(6/88)
48.	Raleigh/Durham, NC	ATC	104,000	(12/88)
49.	Grand Rapids, MI	UA Cablesystems	103,661	(6/88)
50.	Wilmington, DE	Heritage	103,255	(5/88)
51.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
52.	Boston, MA	Cablevision Systems	100,768	(3/89)
53.	Pinellas County, FL	Newhouse	100,614	(6/88)
54.	Naples, FL	Palmer	100,394	(3/89)
55.	Hillsborough/Tampa, FL	Paragon	100,281	(2/89)
56.	Brooklyn/Queens, NY	Warner	100,000	(1/89)
57.	Tacoma, WA	Viacom	99,000	(6/88)
58.	Richmond, VA	Continental	97,935	(1/89)
59.	Indianapolis, IN	Comcast	97,790	(6/88)
60.	Tucson, AZ	Cooke	86,976	(4/89)
61.	Pittsburgh	TCI	96,712	(1/89)
62.	Escondido, CA	Times Mirror	96,519	(4/88)
63.	Jackson, MS	ATC	96,000	(12/88)
64.	St. Petersburg, FL	Paragon	95,412	(2/89)
65.	Dade/Broward County, FL	Storer	94,577	(5/88)
66.	Worcester Complex, MA	Greater Media	92,148	(12/88)
67.	Greensboro, NC	ATC	91,000	(12/88)
68.	Nashville, TN	Viacom	90,000	(6/88)
69.	Chicago, IL	Group W	89,500	(7/88)
70.	Milwaukee, WI	Warner	88,126	(5/88)
71.	Wichita, KS	Multimedia	87,351	(1/89)
72.	Las Vegas, NV	Prime Cable	86,852	(5/88)
73.	Orange County, CA	Times Mirror	86,607	(4/88)
74.	Dover/Morristown, NJ	Sammons	82,871	(5/88)
75.	Portland, OR	KBLCOM	82,587	(6/88)
76.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
77.	Fresno, CA	Continental	82,103	(12/88)
78.	Fayetteville, NC	ATC	82,000	(12/88)
79.	Orange County	KBLCOM	81,604	(1/89)
80.	South Bend, IN	Heritage	80,776	(5/88)
81.	Oakland County, MI	United	80,564	(5/88)
82.	New Orleans, LA	Cox Cable	80,348	(3/88)
83.	Indianapolis, IN	ATC	80,000	(12/88)
84.	Independence, MO	Jones	79,897	(11/88)
85.	Baton Rouge, LA	UA Cablesystems	79,586	(4/88)
86.	Albuquerque, NM	Jones Intercable	79,199	(10/88)
87.	Akron, OH	Warner	79,070	(5/88)
88.	Columbus, OH	Warner	78,454	(5/88)
89.	Allentown, PA	Service Electric	78,000	(12/88)
90.	St. Petersburg, FL	Paragon	78,000	(4/88)
91.	Medford Complex Boston Suburbs, MA	Warner	77,167	(5/88)
92.	South Texas, TX	Heritage	77,160	(5/88)
93.	Pleasant Hill, CA	WestMarc	74,210	(3/89)
94.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
95.	Omaha, NE	Cox Cable	73,361	(3/88)
96.	Flint, MI	Comcast	72,923	(6/88)
97.	Little Rock, AR	Storer	72,681	(5/88)
98.	Ocean County, NJ	Adelphia.	72,355	(3/88)
99.	W. San Fernando Va, CA	CV Industries	72,164	(2/89)
100.	Lincoln, RI	Heritage	71,625	(5/88)

CableVision

INFORMATION AND [illegible] MANAGEMENT

2200
2000
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FIBER OPTICS
QBS Software

NCTA SHOW REVEALS HOTTER PACE AHEAD

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT JUNE 5, 1989

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Debating new strategies and directions

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Paying more than a song for music

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THEFT IS ON THE RISE

	1986	1987	1988	1989	1990 (est.)
Cable TV households (A.C. Nielsen)	43.7	46.1	51.1	54.5	57.4
Cable subscribers (provided by cable programmers)	39.7	42.6	45.6	47.9	49.9
Difference	4.0	3.5	5.5	6.5	7.5
Percent difference	10.1	8.2	12.1	13.6	15.0

Source: Paul Kagan Associates. Subscriber counts in millions.

Confronting the rise in cable theft

102

ITCI

ABP BPA

PROGRAMMING

Pay-Per-View Supply Chart

June	Source
The Accused MPAA Rating: R Running Time: 110 mins. Cast: Kelly McGillis, Jodie Foster	**Paramount**
Au Revoir Les Enfants MPAA Rating: PG Running Time: 105 mins. Cast: Gaspard Manesse, Raphael Fejto	**Sage**
Babette's Feast MPAA Rating: G Running Time: 104 mins. Cast: Stephane Audran, Bibi Anderson	**Sage**
Blueberry Hill MPAA Rating: R Running Time: 93 mins. Cast: Carrie Snodgrass, Jennifer Rubin	**MGM/UA**
Clara's Heart MPAA Rating: PG-13 Running Time: 108 mins. Cast: Whoopi Goldberg, Michael Ontkean, Kathleen Quinlan, Neil Harris	**Warner Bros.**
Dead Ringers MPAA Rating: R Running Time: 116 mins. Cast: Jeremy Irons, Genevieve Bujold	**20th Century-Fox**
Dominick & Eugene MPAA Rating: PG-13 Running Time: 109 mins. Cast: Jamie Lee Curtis, Tom Hulce, Ray Liotta	**Orion**
Eight Men Out MPAA Rating: PG Running Time: 120 mins. Cast: John Cusack, D.B. Sweeney, John Mahoney, Christopher Lloyd, Charlie Sheen	**Orion**
Everybody's All American MPAA Rating: PG Running Time: 125 mins. Cast: Dennis Quaid, Jessica Lange, Timothy Hutton	**Warner Bros.**
Full Moon In Blue Water MPAA Rating: R Running Time: 95 mins. Cast: Gene Hackman, Teri Garr, Burgess Meredith	**HBO**
Last Rites MPAA Rating: R Running Time: 104 mins. Cast: Tom Berenger, Daphne Zuniga, Anne Twomey, Dane Clark	**MGM/UA**
Madame Sousatzka MPAA Rating: PG-13 Running Time: 122 mins. Cast: Shirley McLaine, Navin Chowdhry, Twiggy, Peggy Ashcroft	**Universal**
Pumpkinhead MPAA Rating: R Running Time: 88 mins. Cast: Lance Henrikson, John DiAquino	**MGM/UA**
Sweet Hearts Dance MPAA Rating: R Running Time: 101 mins. Cast: Don Johnson, Jeff Daniels, Susan Sarandon, Elizabeth Perkins	**Tri-Star**
Things Change MPAA Rating: PG Running Time: 105 mins. Cast: Don Ameche, Joe Mantanga	**Columbia**
Tougher Than Leather MPAA Rating: R Running Time: 87 mins. Cast: The Beastie Boys, Run DMC	**Avalon**
Tucker: The Man & His Dreams MPAA Rating: PG Running Time: 111 mins. Cast: Jeff Bridges, Joan Allen, Martin Landau, Frederic Forrest	**Paramount**
The Unbearable Lightness Of Being MPAA Rating: R Running Time: 173 mins. Cast: Daniel Day-Lewis, Juliette Binoche, Donald Moffat	**Orion**

July	Source
Alien Nation MPAA Rating: R Running Time: 89 mins. Cast: James Caan, Mandy Patankin	**20th Century-Fox**
A Cry In The Dark MPAA Rating: PG-13 Running Time: 121 mins. Cast: Meryl Streep, Sam Neill	**Warner Bros.**
Bird MPAA Rating: R Running Time: 161 mins. Cast: Forest Whitaker, Diane Venora	**Warner Bros.**
Coming To America MPAA Rating: R Running Time: 116 mins. Cast: Eddie Murphy, Arsenio Hall, James Earl Jones	**Paramount**
The Experts MPAA Rating: PG-13 Running Time: 94 mins. Cast: John Travolta, Arye Gross, Kelly Preston	**Paramount**
My Stepmother Is An Alien MPAA Rating: PG-13 Running Time: 108 mins. Cast: Dan Akroyd, Kim Basinger	**Columbia**
Shame MPAA Rating: R Running Time: 90 mins. Cast: Deborra-Lee Furness, Tony Barry	**Skouras**
Twins MPAA Rating: PG Running Time: 107 mins. Cast: Arnold Schwarzenegger, Danny DeVito	**Universal**

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.
Film information provided to *Cablevision* by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	ADDRESSABLE SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events.	750,000
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,500,000
Request Television	November 27, 1985	R-1: Satcom III-R, tr.19 R-2: Satcom III-R, tr.4	VideoCipher II	Two channels offering movies and special events	4,500,000
Tuxxedo Network	December 1, 1987	Galaxy II, tr. 10	VideoCipher II	Adult movies and special events.	500,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, t. 21, VC-2: Galaxy III, t. 16	VideoCipher II	Two channels of movies and special events	5,500,000

The CABLE POLL

by Midwest CATV & CableVision Magazine

Compatibility is operators' biggest concern with fiber

While the thought of implementing fiber optic technology in their systems engenders several sorts of concerns on the part of cable operators, their biggest worry is how it will work with existing distribution hardware. When interviewed, 50 percent of operators said the issue of compatibility with standard tree-and-branch coaxial gear concerned them a lot and another 23 percent said it concerned them some.

On the other hand, operators certainly aren't worried about a scarcity of fiber products. Probably because of the recent rush by many manufacturers to enter the fiber field, the one major area of lightwave technology that is of least concern to operators is product availability. Only 28 percent of those surveyed by the Cable Poll™ said availability of fiber gear concerned them a lot, while more than a third—38 percent—said product availability concerned them very little or not at all.

Among the other concerns of operators about fiber optics are that the technology is still evolving, and that it may be difficult to install fiber gear and then maintain it once it is in place. When interviewed, 76 percent of operators said the continuing evolution of fiber, within the context of their plans for implementing the technology, concerned them "some" or "a lot."

Number

5

in a series

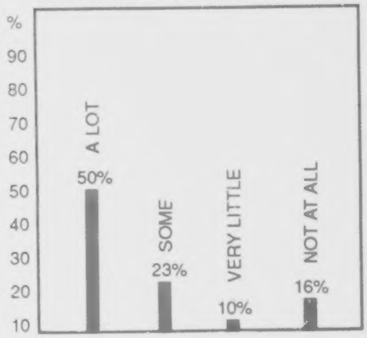
of ten

Interestingly, operators by a small percentage are less concerned about installing fiber than they are about maintaining it once it becomes a part of the distribution system. Fifty-nine percent said they were concerned some or a lot about their ability to install fiber gear, while 67 percent expressed the same levels of concern about maintenance.

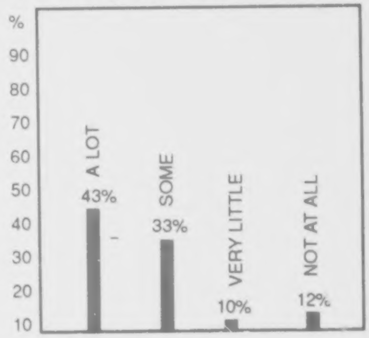
According to data from the Cable Poll™, operators' apparent comfort level with fiber optics increases according to the size of the system where they work. Compatibility was cited as a major concern by only 38 percent of operators who run systems with 50,000 or more subscribers. Otherwise, operators at small, medium and large systems express strikingly similar levels of concern about the other operational issues surrounding fiber.

The Cable Poll™ is a sampling of industry opinion conducted on a regular basis by Ryan/Samples Research for Midwest CATV and *CableVision* magazine. Telephone interviews for this edition of the poll were conducted March 13-23; a total of 400 interviews were completed using a listing of system management personnel obtained from CableFile. Cable Poll™ researchers are 95 percent confident that the data is accurate within plus or minus 4.9 percentage points.

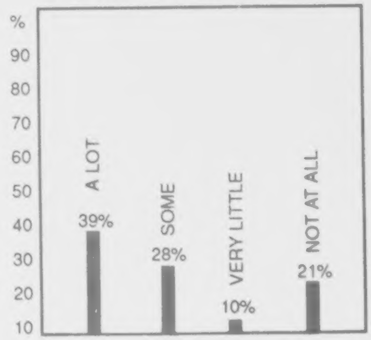
How concerned are you about fiber's compatability?



How concerned are you that fiber technology is still evolving?



How concerned are you with compatability with current plant?



attracted $82.3 million in revenues and $21.4 million in operating profits during the quarter, largely due to TNT's ratings and ad sales performance. Without TNT, revenues for the division would have increased 12 percent from the same 1988 quarter, instead of 42 percent.

- **Viacom** finished its first 1989 quarter with $199.1 million in net earnings and $341.1 million in revenues. That compares with a $61.1 million net loss on $293.1 million in revenues the previous year. All of the company's divisions reported increased revenues and earnings during the cycle, with Viacom Cable having $15.4 million in earnings and $78.8 million in revenues. On the programming side, Showtime Networks gained about 310,000 new subscribers during the quarter, but programming expenses contributed to a $10.3 million operating loss. MTV Networks' revenue jumped 31 percent over 1988 on the basis of ad sales and affiliate fee gains.

QUARTERLY EARNINGS CHART

Dollar amount in thousands

Company (Quarter/Fiscal Year)	Revenues	%Change	Operating Profit	%Change	Net Income	%Change
Financial News Network (3rd/89)	$ 16,408	14.4	$ N.A.	N.A.	$ 747	-41.6
QVC Network (1st/89)	52,486	27.3	1,692	39	1,182	12.6
Tele-Communications Inc. (1st/89)	655,400	32.6	130,000	15.3	-51,400	-42
Turner Broadcasting (1st/89)	231,979	21.1	51,953	19.2	-421	97
Viacom (1st/89)	341,120	16	28,648	6	199,112	99.6
Video Jukebox Network (1st/89)	376	32.1	N.A.	N.A.	-680	-97.4
Walt Disney Co. (2nd/89)	1,040,000	34	N.A.	N.A.	149,000	24
WestMarc Communications (1st/89)	49,939	125	11,623	65.4	-4,853	-90.9

- **Phoenix Cable** will provide $2.3 million in senior loans to **Sterling Communications Inc.**. Sterling will use the money to buy out and upgrade Black Rock Cable TV, which serves 600 homes in Death Valley, Calif., and southwestern Nevada.

The company intends to extend Black Rock's plant and eventually serve more than 2,000 homes in its present territory.

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CABLE STATS

Subscriber Count

Satellite national services

Basic services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	587	9,000,000
Alternate View Network	500	4,500,000
Arts & Entertainment Network (A&E)	3,000	38,000,000
Black Entertainment Television	1,800	22,228,000
CNBC	N.A.	13,000,000
Cable News Network	11,860	50,293,000
Cable Value Network	1,850	21,000,000
CBN Family Channel	8,301	44,277,000
C-SPAN	3,243	43,500,000
C-SPAN II	632	17,500,000
Country Music Television	1,092	9,124,974
The Discovery Channel	3,000	40,642,000
Eco/Galavision	300	1,000,000
ESPN	19,500	50,002,000
Eternal Word Television Network	490	10,800,000
Family Guide Network	60	4,500,000
FamilyNet	84	1,200,000
The Fashion Channel	650	10,100,000
Financial News Network	3,500	33,412,000
FNN Score	1,600	19,800,000
FNN Tel Shop	1,350	14,800,000
Headline News	3,410	38,774,000
Home Shopping Network	1,462	16,430,155
Home Shopping Network II	607	6,748,625
The Inspirational Network	620	9,500,000
International Television Network	25	7,868,000
KTVT	417	3,600,000
The Learning Channel	700	15,100,000
Lifetime	3,800	42,757,000
Mind Extension University	84	7,200,000
MTV	5,405	46,070,000
Movietime	142	11,500,000
The Nashville Network	7,341	44,855,000
National College Television	147	5,800,000
Network 11 SOA	N.A.	N.A.
Nick At Nite	3,440	19,600,000
Nickelodeon	6,600	45,500,000
The Nostalgia Channel	307	4,000,000
Prevue Guide	594	10,000,000
QVC Network	1,035	14,000,000
RFD TV	30	2,182,190
Shop Television Network	119	5,100,000
Silent Network	404	12,500,000
SportsChannel America*	N.A.	3,500,000
Superstation TBS	9,426	49,190,000
Telemundo**	3	300,000
TNT	2,545	27,500,000
The Travel Channel	300	11,000,000
Trinity Broadcasting Network	729	9,100,000
Univision**	466	4,719,000
USA Network	10,400	47,290,000
VH-1	2,530	32,139,000
Vision Interfaith Satellite Network	315	6,200,000
The Weather Channel	3,600	38,174,000
WGN-TV	11,415	24,900,000
WWOR-TV	2,000	12,500,000
WPIX-TV	858	3,678,474

Bonus/basic services

Bonus/basic services	Affiliates	Subscribers
American Movie Classics	1,700	20,000,000
Bravo	335	2,000,000

Pay services

Pay services	Affiliates	Subscribers
American Exxxtasy	18	25,000
Cinemax	3,650	6,600,000
The Disney Channel	5,300	4,557,300
Home Box Office	7,400	17,000,000
The Movie Channel	3,250	3,200,000
The Playboy Channel	520	470,000
Showtime	6,000	6,600,000

Audio services

Audio services	Affiliates	Subscribers
AEI Lifestyle	142	2,578,838
AEI Star Tracks Vocal Hits	26	854,300
Cable Radio Network	40	1,556,736
Galatic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	65	1,088,568
Satellite Radio Network	237	485,000
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

Text services	Affiliates	Subscribers
AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	7,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	500,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000

Computer services

Computer services	Affiliates	Subscribers
DBC MarketWatch	462	9,200,000
X*Press Executive	487	14,000
X*Press X*Change	487	14,000

Non satellite-fed national services

Basic services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Consumer Classified Ad Network	3	195,000
Fun Network	3	12,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Pay services

Pay services	Affiliates	Subscribers
Nippon Golden Network	5	13,600

Interactive services

Basic services

Basic services	Affiliates	Subscribers
Video Jukebox Network	12	543,000

Regional services

Basic services

Basic services	Affiliates	Subscribers
Arizona Sports Programming Network	N.A.	210,000
Atlanta Interfaith	7	180,000
Bay Area Religious Channel	6	113,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,200,000
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,300,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	594,000
Niagara Frontier Sports Network	13	800,000
Northwest Cable Sports Network	3	700,000
Pennarama	28	750,000
Prime Cable	9	381,938
Prime Sports Network	11	300,000
Prime Ticket	94	3,000,000
SportsChannel (Chicago)	50	1,507,270
SportsChannel (Ohio)	2	280,000
Sunshine Network	200	2,310,000

Pay services

Pay services	Affiliates	Subscribers
Home Sports Entertainment	250	1,000,000
Home Team Sports	125	1,200,000
New England Sports Network	171	317,201
Prism	87	427,000
Pro-Am Sports	173	523,000
SportsChannel (Florida)	22	650,000
SportsChannel (New England)	154	1,028,431
SportsChannel (New York)	100	1,300,000
Z Channel	73	110,010

Note: Figures for affiliate subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.

N A denotes information not available.

***Count represents standalone affiliates subscribers; portions of SC America are carried on Home Team Sports and the SportsChannel family of regional services.**

****Spanish-speaking households.**

Announced services

Satellite-fed services	Expected launch
American Western Network	4th Quarter 1989
The Asia Network	2/89
Career Channel Network	10/89
CD/8: The Digital Music Network	6/89
The Computer Channel	8/89
Digital Cable Radio	4th Quarter 1989
Digital Radio Channel	4th Quarter 1989
The Gaming Network	3rd Quarter 1989
HBO Comedy Channel	4th Quarter 1989
Interactive Game Network	3rd Quarter 1989
Kids Information Network	2nd Quarter 1989
The Landscape Channel	2nd Quarter 1989
Laugh TV	3rd Quarter 1989
Maximum Entertainment Network	9/89
Mizlou Sports News Network	3rd Quarter 1989
Music Image Channel	11/89
Spanish TV News Network	6/89
Talk Television	3rd Quarter 1989
Ultravision	8/89

Non satellite-fed services	Expected launch
ACTV	3rd Quarter 1989
Main Street	2nd Quarter 1989
On Demand CTV TV Network	4th Quarter 1989

Theft of service: the old is news again

Despite many aggressive efforts undertaken by cable operators to fight theft of service, piracy remains one of the industry's most intractable dilemmas.

When *Cablevision* published a cover story on the subject three years ago that began with those words, analysts were estimating that theft-of-service cheated cable operators and networks out of $1 billion in annual revenues. At the time, Ed Bleier, president of Warner Bros.' pay TV division, was in the forefront among media leaders in calling for an industry counterattack on unauthorized theft of service. Now, three years later, Bleier is reviving his anti-piracy exhortation, convinced by independently-gathered data that the problem is worse than ever and is costing the business $1.5 billion in lost income.

Most officials agree that cable's vigilance on theft has increased in the last three years, with MSOs tightening audit procedures and playing up police busts on illegal converter suppliers. Cable-specific theft laws now are on the books in most states and NCTA is operating a signal theft program with the Motion Picture Association of America. Indeed, according to Paul Kagan data, the illegal subscriber universe declined in 1987, when most of these actions were instituted. But lately the gap between the number of paying subscribers reported by cable network affiliates and the number of cable viewers reported by A.C. Nielsen and others is widening, and Bleier believes illegals are fully responsible. For February, Nielsen estimated the cable universe at 54.5 million homes while cable systems counted 47.9 million homes—a 6.5 million gap attributed by many to illegals, compared to 5.5 million last year and 3.5 million in 1987.

"More people want to buy it because of the improved programming, so more people want to steal it. And the product gets more attractive every day," Bleier says.

Kagan analysts, however, assert that only slightly more than half of the gap is attributable to theft of service; the other half is due to Nielsen's inclusion of wireless cable, SMATV and some TVRO homes in its count. Jim Allen, director of NCTA's signal theft office, also questions the numbers, but shares Bleier's conclusion. "The industry has made some tremendous inroads since 1986, but Ed makes an important point. Cable has a larger universe and more valuable services and all of us have to be concerned."

Allen believes illegal pay-per-view reception is fueling some of the lost revenue increase. His NCTA branch is calling for an in-depth review of theft trends that could suggest a new round of comprehensive actions by equipment providers, operators and networks. Bleier wants more systems to implement addressability and each MSO to appoint a designated executive to supervise anti-theft programs and order changes if necessary. Converter manufacturers could join in by budgeting more R&D funds to advanced control technology, he adds.

Theft activity declined when Bleier and others raised their voices and produced action in 1986. A similar movement could do better, if all sides contribute ideas and take action. Otherwise, the opening paragraph of our 1986 story could be news again, no changes necessary. ■

THEFT IS ON THE RISE

	1986	1987	1988	1989	1990 (est.)
Cable TV households (A.C. Nielsen)	43.7	46.1	51.1	54.5	57.4
Cable subscribers (provided by cable programmers)	39.7	42.6	45.6	47.9	49.9
Difference	4.0	3.5	5.5	6.5	7.5
Percent difference	10.1	8.2	12.1	13.6	15.0

Source: Paul Kagan Associates. Subscriber counts in millions

They said it...

"Here we go again. Reregulate all rates and give our product to the competition (i.e. telcos) to sell. A great perscription for the 'free marketplace.' "

—CATA's reaction to Sen. Howard Metzenbaum's proposed legislation (5/89 newsletter)

"Everyone (in the workplace) should be judged on performance. There should be a day when you don't need EEO. I don't see why that day shouldn't be now. When we can erase other job considerations, we'll have succeeded in bringing that day about."

—Kay Koplovitz, USA Network president, appearing before New York Women In Cable (5/15)

"I don't think it's that hard for operators to be at peace with the communities they live with. They have to realize that you can't just contribute to the bottom-line; you have to be a community player. True decentralization among MSOs is the way to achieve that."

—Columbia International President Bob Rosencrans, from New York Women In Cable's meeting (5/15)

CableVision

C4727-2
6/21/89

OPERATORS' HANDBOOK: THE BEST TIPS AND HOW-TO'S

TURNER'S TURNAROUND: THE GAMBLE PAYS OFF

SHEDDING LIGHT ON SYNDEX'S BLACK HOLES

DOES CABLE HAVE A SENATE 'STOPPER'?

AN ACTION PLAN FOR TRAINING GMs

HARDWARE FOR CABLE'S NEW ERA

ATC's David Pangrac:
Vanguard Award engineer

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT JUNE 19, 1989

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Warner discovers a windowpane tape that waterproofs drops

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All was in flux after Paramount bids for Time, threatening its merger with Warner

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Special-interest PPV events, such as concerts, still can pay off

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MSOs with programming interests don't discriminate against other channels, an NCTA study says

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Lobbyists are focusing on the volatile Senate as a flashpoint of reregulation activity

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Turner's turnaround

Once cable's sick man, Ted Turner has rebounded to financial good health

ITCI

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ABP BPA

The
CABLE
POLL

TM Midwest CATV & CableVision Magazine

Better pictures, reliability motivating system upgrades

In rebuilding or upgrading their systems, cable operators apparently intend to please subscribers as well as corporate headquarters, according to Cable Poll™ data. In interviews that attempted to discern the motivations behind the groundswell in system upgrades, operators overwhelmingly mentioned improvements to picture quality and system reliability—issues at the heart of customer service and community relations—as well as a desire to offer new services and to increase profitability.

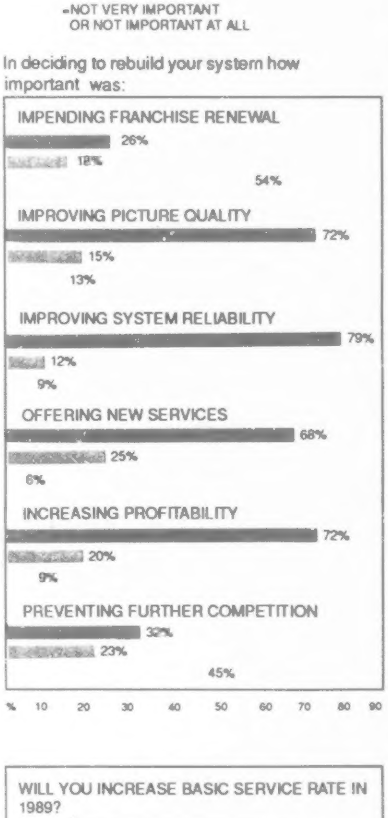
And while several factors influence a system's profitability, the primary contribution, of course, is rates. On that score 72 percent of all operators said rate increases are a part of the 1989 budget plan. Of those, 48 percent said the increase is between five and 10 percent, but increases of as much as 20 percent are planned this year at one in ten systems. The mean rate increase is 9 percent.

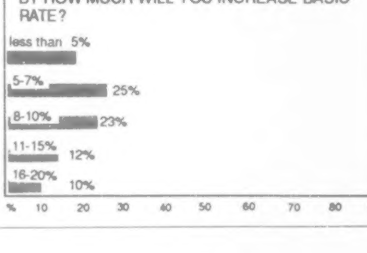
A previous Cable Poll™ (*CT* 5/8/89 p. 22) revealed that 56 percent of all systems nationwide will undergo a rebuild or upgrade in the coming year or recently have completed one. At those systems, improving system reliability was cited by 91 percent of operators as a key reason for the rebuild or upgrade; 89 percent said better picture quality was a prime motivation for the system improvement, and 93 percent placed the same value on the ability to offer new services. A desire to increase profitability was cited by 92 percent of operators as very or somewhat important.

Number
6
in a series
of ten

At the other end of the scale of reasons to rebuild or upgrade are that the system's franchise is nearing renewal time, or as a means to prevent further competition. Only 44 percent of those interviewed said impending franchise renewal was a very or somewhat important motivation for the rebuild, while just 55 percent said gaining an edge on competitors was a prime consideration. However, the competitive threat is very much on the minds of operators at larger systems. Remaining competitive was cited as a significant rebuild factor at 75 percent of systems with more than 50,000 subscribers.

The Cable Poll™ is a sampling of industry opinion conducted on a regular basis by Ryan/Samples Research Inc. for Midwest CATV and *CableVision* magazine. Telephone interviews for this edition of the poll were conducted March 12-23; a total of 400 interviews were completed from a random sampling of system management personnel obtained from CableFile. Cable Poll™ researchers are 95 percent confident that the results are accurate within plus or minus 4.9 percentage points.





What's On The Pays/June

Cinemax

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Beyond Mombrosa	NR	Columbia
Cellar Dweller	NR	Empire
Creepshow II	R	New World
18 Again	PG	New World
The Endless Summer	G	Pacific Arts
The Expendables	R	Concorde
Ghost Town	R	Empire
Going Undercover	PG-13	Miramax
Jack's Back	R	Paramount
License To Drive	PG-13	20th Century-Fox
Light Years	PG	Miramax
Morons From Outer Space	PG-13	Thron EMI
'Nam Angels	R	Concorde
Native Son	PG	Cinecom
Omar Khayyam	NR	Paramount
Phantasm II	R	Universal
The Presido	R	Paramount
Rikky & Pete	R	MGM/UA
You Can't Hurry Love	R	Vestron

Original Programming/Specials

Henry Fonda: The Man & His Movies
Max Movie Show #11

Highlights

Bagdad Cafe	PG	Island
Chris Elliott's FDR—A One-Man Show	Willow	PG
Universal		

Bagdad Cafe

The Disney Channel

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Asterix & Caesar's Surprise	G	Gaumont
The Cat From Outer Space	G	Disney TV
The Deer Slayer	NR	Viacom
Do You Love Me?	NR	20th Century-Fox
Forever Female	NR	Paramount
Gulliver's Travels	NR	Viacom
Hansel & Gretel	G	Ent. Marketing
Hoosiers	PG	HBO
Huckleberry Finn	NR	Viacom
Ivanhoe	NR	Tri-Star
The Mysterious Stranger	NR	Fries
Peter Lundy & The Medicine Hat Stallion	NR	Viacom
The Private History Of A Campaign That Failed	NR	Fries
Peter-No-Tail	G	Viacom
The Quest	PG	Miramax
The Richest Cat In The World	NR	Disney TV
The Stone Fox	NR	Worldvision
The Stowaway	G	20th Century-Fox
Summer Magic	NR	Disney TV
The Swan	NR	MGM/UA
Young Detectives On Wheels	NR	Miramax

Original Programming/Specials

A Little Princess
Backstage At The Zoo: Zookeepers
The Making Of Honey, I Shrunk The Kids
Susan, Susan
Videopolis: StarTracks III

Highlights

Kaleidoscope Concert: Parachute Express
Looking For Miracles
Loretta Lynn & Crystal Gale: Going Home

Looking for Miracles

HBO

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
Arthur II On The Rocks	PG	Warner Bros.
Big Top Pee-Wee	PG	Paramount
The Drifter	R	MGM/UA
Friday The 13th: A New Beginning	R	Paramount
Hammerhead Jones	NR	Vernon

Hightide	PG-13	Hemdale
Housekeeping	PG	Columbia
It Takes Two	PG-13	MGM/UA
Made In USA	R	Hemdale
Midnight Crossing	R	Vestron
Moving	R	Warner Bros.
The Offspring	R	The Movie Store
Paramedics	PG-13	Vestron
The Pickwick Papers	NR	20th Century-Fox
The Presido	R	Paramount
The Retaliator	R	Hal Roach
The Serpent & The Rainbow	R	Universal
Terminal Entry	R	Taurus
The Underachievers	R	Vestron
Walker	R	Universal
Water	PG-13	Paramount

Original Programming/Specials

Martin Short Goes Hollywood
Mel Gibson's Unauthorized Video Diary

Highlights

Tales From The Crypt (new series)		
Traveling Man		
Willow	PG	Universal
Wimbeldon '89		

Tales From The Crypt

The Movie Channel

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
A Great Wall	PG	Orion
American Gothic	R	Castle Hill
Call Me	R	Vestron
The Constant Husband	NR	Viacom
Extremeties	R	Paramount
Granview U.S.A.	R	CBS
Hairspray	PG	Universal
Hunter's Blood	R	Concorde
Joy Of Flying	R	K-Pay
Lady Jane	PG-13	Paramount
Leader Of The Band	PG-13	Carolco
License To Drive	PG-13	20th Century-Fox
Lonely Hearts	R	Sam Goldwyn
Phantasm II	R	Universal
South Of Reno	R	Castle Hill
Three For The Road	PG	Carolco

Original Programming/Specials

Firstworks: Taylor Hackford

Highlights

Bagdad Cafe	PG	Island
Rambo III	R	Carolco
Stormy Monday	R	Atlantic
Willow	PG	Universal

Rambo III

Showtime

New Movies

TITLE	MPAA RATING	DISTRIBUTOR
American Dreamer	PG	CBS
Backfire	R	ITC
Campus Man	PG	Paramount
Critters II	PG-13	Universal
Dancers	PG-13	Cannon
Death Wish IV: The Crackdown	R	Cannon
Eat The Peach	NR	Skouras
The Elm-Chanted Forest	NR	Video Media
Hot Shot	PG	IRM
I Own The Racecourse	NR	Miramax
In Dangerous Company	R	MCEG
License To Drive	PG-13	20th Century-Fox
Malone	R	Orion
Rousters	NR	Columbia
Satisfaction	PG-13	20th Century-Fox
The Sicilan	R	20th Century-Fox
Walker	R	Universal

Original Programming/Specials

New Orleans Jazz & Heritage Festival
Showtime Coast To Coast
Super Dave (new episodes)

Highlights

The Glass Menagerie	PG	Cineplex Odeon
Rambo III	R	Carolco
Steven Banks' Home Entertainment Center		
Willow	PG	Universal

Steven Banks' Home Entertainment Center

Satellite Lineup

Satcom III-R (GE Americom)	**Transponder**
BET	20
Cable Radio Network	4
Cinemax (West)	23
CNBC	6
ESPN (Blackout)	7
The Fashion Channel	1
Financial News Network	11
Genesis Storytime	3
HBO (East)	13
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
Network 1 USOA	23
QVC Network	8
Request TV	4,19
Shop Television Network	5
Tempo Sound.	6
The Travel Channel	16
Trinity Broadcasting Network	3
Turner Network Television	18
USA Network (West)	10
Vision Interfaith Satellite Network.	9

Satcom IV (GE Americom)	**Transponder**
Alternate View Network	10
Family Guide Network	24
Family Net	7
The Fashion Channel	14
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Madison Square Garden Network	6
Movietime	17
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Playboy On Demand	24
Prevue Guide	8
Prime Ticket	20
The Silent Network	23
SportsChannel America	2,10
SportsChannel Chicago	9
SportsChannel New England	23

Satcom II-R (GE Americom)	**Transponder**
WABC	4
WCBS	2
WNBC	12

Satcom I-R (GE Americom)	**Transponder**
Digital Cable Radio.	15
Home Sports Entertainment.	10
KKGO	16
KTLA	16
Netlink USA	2,4,6,12,14,20
Prime Ticket Network.	7
Sunshine Network.	11
WSKB	2

Westar III (Hughes)	**Transponder**
CNN	5

Westar IV (Hughes)	**Transponder**
Cable News Network (CNN)	16
International Television Network	10
Telemundo	9

Westar V (Hughes)	**Transponder**
Moody Broadcasting Network	7D
Pro-Am Sports System (PASS)	8
Zephyr Weather Information Service	7D

Telstar 303 (AT&T)	**Transponder**
American Exxxtasy	19

Galaxy I (Hughes)	**Transponder**
AEI StarTracks Vocal Hits	3
AEI Lifestyle Instrumental	3
Arts & Entertainment Network.	12
CBN Cable Network	11
Cinemax (East)	19
CNN	7
Country Music Television	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
Electra	18
ESPN	9
Galavision/Eco	20
HBO (West)	1
Headline News	8
The Inspirational Network.	17
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
Prevue Guide	3
Showtime (East)	5
Showtime (West)	16
Superstation TBS.	18
Univision	6
USA Network (East, Central)	21
WGN/EPG	3
WWOR	15

Galaxy III (Hughes)	**Transponder**
ACTS Satellite Network	7
Cable Value Network	9
Cable Video Store	5
C-SPAN	24V
C-SPAN II	14V
Eternal Word Television Network	10
Galactic Radio	11
Lifetime	20
The Meadows Racing Network	17
Mind Extension University	11
MTV	17
MTV (West Coast)	18
Nick At Nite	19
Nickelodeon	19
NuStar	12
Video Hits One (VH1)	15
Viewer's Choice	21,16
The Weather Channel	13

Spacenet I (GTE)	**Transponder**
RFD TV	23

Spacenet II (GTE)	**Transponder**
Channel America	3
Graff Pay-Per-View/Rendezvous	2

Spacenet III (GTE)	**Transponder**
KTLA	8
WPIX	5
WSBK	3

Note: A company name in parentheses following a service or network designates the transponder owner. Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc	6,200,000	(4/89)
2.	American Television & Communications Corp	4,100,000	(4/89)
3.	Continental Cablevision	2,404,000	(5/89)
4.	Warner Cable Communications	1,547,000	(4/89)
5.	Storer Cable Communications	1,530,700	(1/89)
6.	Cox Cable Communications	1,501,500	(4/89)
7.	Comcast	1,463,000	(5/89)
8.	Cablevision Systems	1,363,612	(5/89)
9.	UA Cablesystems	1,339,729	(10/88)
10.	United Cable	1,303,000	(5/89)
(12) 11.	Jones Intercable/Spacelink	1,188,298	(5/89)
(11) 12.	Newhouse Broadcasting	1,147,000	(5/89)
13.	Heritage Communications	1,100,000	(4/89)
14.	Times Mirror Cable TV	997,156	(1/89)
15.	Viacom Cable	955,000	(4/89)
16.	Cablevision Industries	929,000	(4/89)
17.	Sammons Communications	853,900	(4/89)
18.	Century Communications	800,000	(4/89)
19.	Cooke Cablevision	730,800	(5/89)
20.	Adelphia Communications	721,700	(5/89)
21.	Paragon Communications	703,000	(1/89)
22.	Falcon Cable TV	632,500	(3/89)
23.	Centel Cable	598,546	(5/89)
24.	Telecable	580,000	(5/89)
25.	KBLCOM	558,100	(4/89)
26.	WestMarc Communications	561,878	(4/89)
27.	Scripps-Howard	531,000	(3/89)
28.	Multivision Cable TV	482,000	(4/89)
29.	Tele-Media	465,292	(4/89)
30.	Prime Cable	455,123	(12/88)
31.	Post-Newsweek Cable	403,000	(4/89)
32.	Lenfest Group	358,524	(3/89)
33.	TCA Group	349,300	(4/89)
34.	Maclean Hunter Cable TV	331,599	(12/88)
35.	Rifkin & Associates	324,000	(4/89)
(37) 36.	Multimedia Cablevision	321,300	(4/89)
(36) 37.	Colony Communications	312,900	(4/89)
38.	TKR Cable	268,195	(12/88)
39.	Western Communications	266,700	(4/89)
40.	Star Cablevision Group	254,000	(1/89)
41.	Cencom Cable	255,933	(5/89)
42.	Simmons Communications	246,690	(1/89)
(44) 43.	Hauser Communications	232,000	(5/89)
(43) 44.	Communications Service Inc	228,526	(12/88)
45.	Service Electric Cable TV Inc	211,500	(4/89)
46.	Greater Media	188,700	(3/89)
47.	Harron Communications	177,700	(3/89)
48.	Columbia International	174,000	(4/89)
49.	Media General	173,700	(5/89)
(51) 50.	Sutton Capital	163,700	(2/89)
(50) 51.	Palmer Communications	163,408	(3/89)
52.	Insight Communications	157,700	(4/89)
53.	U.S. Cable Corp	154,300	(3/89)
54.	Armstrong Utilities	151,800	(3/89)
55.	King Videocable	141,158	(1/89)
56.	Triax Communications	141,000	(6/88)
57.	Northland Communications	137,148	(4/89)
58.	Summit Communications	136,600	(3/89)
59.	Cable Systems USA	136,500	(4/89)
60.	Bresnan Communications	127,351	(1/89)
61.	Booth Communications	119,000	(1/89)
62.	Sonic Communications	118,000	(12/88)
63.	McDonald Group	115,200	(4/89)
64.	Susquehanna Broadcasting	113,200	(2/89)
65.	United Video Management	106,000	(3/89)
66.	Midcontinent Cable Systems Co.	102,672	(8/88)
67.	Pencor Services	100,400	(2/89)
68.	First Carolina Communications	99,500	(3/89)
69.	WEHCO Video	93,900	(4/89)
70.	Omega Communications	90,500	(3/88)
(72) 71.	Coaxial Communications	80,000	(5/89)
(71) 72.	Selkirk Communications	77,500	(3/89)
73.	Gilbert Media	72,000	(12/88)
74.	James Cable Partners	70,000	(4/89)
75.	Douglas Communications	64,100	(3/89)
76.	darden Cablevision	62,700	(3/89)
77.	Cardinal Comunications	58,900	(12/88)
78.	C-TEC Cable Systems	58,000	(4/89)
79.	Prestige Cable TV Inc.	57,500	(3/89)
80.	Hearst Communications Of California	57,410	(12/88)
81.	State Cable TV	54,500	(12/88)
82.	Joseph Gans Cable TV	54,000	(12/88)
83.	Pagnotti Inc.	52,590	(12/88)
84.	Telesat Cablevision Inc.	52,590	(12/88)
85.	Bachow & Elkin Communications	51,700	(1/89)
86.	Galaxy Cablevision	51,700	(3/89)
87.	Leonard Communications	51,700	(12/88)
88.	Helicon Corp.	50,000	(4/88)
89.	New England Cablevision	49,000	(4/89)
90.	Rock Associates	47,500	(3/89)
91.	Donrey Media Group	47,500	(3/89)
92.	CableSouth Inc.	42,100	(2/89)
93.	CableAmerica	42,000	(2/89)
94.	Cable Holdings Inc.	41,800	(3/89)
95.	Eastern Connecticut Cable TV	41,444	(9/88)
96.	Fanch Communications	41,000	(11/88)
97.	Acton Corp.	40,400	(3/89)
98.	Star Cable Associates	40,000	(12/88)
99.	Fairbanks Communications	36,400	(3/89)
100.	ParCable	36,142	(5/89)

( ) **Rank last listing**

Subscriber counts are provided by MSOs and systems to Cable Vision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 432 Park Avenue So., Suite 1010, New York, NY 10016.*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Long Island, NY	Cablevision Systems	460,897	(5/89)
2.	San Diego, CA	Cox Cable	301,765	(4/89)
3.	Orlando/Melbourne, FL	ATC	298,000	(2/89)
4.	Manhattan, NY	ATC	225,000	(12/88)
5.	San Antonio, TX	KBLCOM	221,894	(12/87)
6.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
7.	Puget Sound, WA	Viacom	203,000	(6/88)
8.	Phoenix, AZ	Times Mirror	200,000	(10/88)
9.	Houston, TX	Warner	196,800	(1/89)
10.	Honolulu, HI	ATC	194,000	(3/88)
11.	Chicago (suburbs), Il	Continental	177,208	(2/89)
12.	Hartford/Plainville/Vernon, CT	United	172,289	(5/88)
13.	Wayne, NJ	UA Cablesystems	172,008	(4/89)
14.	Cleveland Suburbs, OH	Cablevision Systems	165,394	(5/89)
15.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
16.	Cincinnati, OH	Warner	163,552	(1/89)
17.	Rochester, NY	ATC	163,000	(10/88)
18.	Cherry Hills, NJ	NYT	162,000	(1/89)
19.	Denver (suburbs), CO	United	161,002	(5/88)
20.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
21.	Tulsa, OK	United	157,412	(2/89)
22.	Fairfax, VA	Media General	157,000	(11/88)
23.	Connecticut Complex	Cablevision Systems	155,249	(5/89)
24.	Atlanta, GA	Prime Cable	153,557	(3/88)
25.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
26.	Chicago, IL	TCI	148,857	(4/89)
27.	Kansas City, MO	ATC	147,000	(2/89)
28.	San Jose/Campbell, CA	Heritage	140,000	(1/89)
29.	Memphis/W. Memphis, TN	ATC	140,000	12/88)
30.	Charlotte, NC	ATC	139,000	(12/88)
31.	Pompano, FL	Continental	136,793	(2/89)
32.	Baltimore County, MD	Comcast	136,096	(6/88)
33.	Manhattan, NY	Paragon	136,000	(4/88)
34.	St. Louis, MO	Cencom	134,184	(5/89)
35.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
36.	San Diego, CA	ATC	132,000	(12/88)
37.	Martin/Stuart Co, FL	Centel	129,460	(3/89)
38.	San Francisco, CA	Viacom	123,000	(6/88)
39.	Seattle, WA	TCI	120,518	(1/89)
40.	Austin, TX	ATC	120,000	(12/88)
41.	Warren, NJ	TKR	116,174	(2/89)
42.	Toledo, OH	Blade Communications	108,861	(5/88)
43.	Chicago Suburbs, IL	Centel	109,576	(5/89)
44.	Dallas, TX	Heritage	107,680	(5/88)
45.	San Juan, PR	Multivision Cable	106,450	(12/88)
46.	Southeast Michigan	Comcast	104,803	(6/88)
47.	Raleigh/Durham, NC	ATC	104,000	(12/88)
48.	Grand Rapids, MI	UA Cablesystems	103,661	(6/88)
49.	Wilmington, DE	Heritage	103,255	(5/88)
50.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
51.	Boston/Brookline, MA	Cablevision Systems	101,521	(5/89)
52.	Pinellas County, FL	Newhouse	100,614	(6/88)
53.	Hillsborough/Tampa, FL	Paragon	100,281	(2/89)
54.	Brooklyn/Queens, NY	Warner	100,000	(1/89)
55.	Tacoma, WA	Viacom	99,000	(6/88)
56.	Chicago, IL	Group W	98,700	(5/89)
57.	Richmond, VA	Continental	97,935	(1/89)
58.	Indianapolis, IN	Comcast	97,790	(6/88)
59.	Tucson, AZ	Cooke	96,976	(4/89)
60.	Naples, FL	Palmer	96,738	(5/89)
61.	Pittsburgh	TCI	96,712	(1/89)
62.	Escondido, CA	Times Mirror	96,519	(4/88)
63.	Jackson, MS	ATC	96,000	(12/88)
64.	St. Petersburg, FL	Paragon	95,412	(2/89)
65.	Dade/Broward County, FL	Storer	94,577	(5/88)
66.	Worcester Complex, MA	Greater Media	92,148	(12/88)
67.	Greensboro, NC	ATC	91,000	(12/88)
68.	Nashville, TN	Viacom	90,000	(6/88)
69.	Milwaukee, WI	Warner	88,126	(5/88)
70.	Wichita, KS	Multimedia	87,351	(1/89)
71.	Las Vegas, NV	Prime Cable	86,852	(5/88)
72.	Orange County, CA	Times Mirror	86,607	(4/88)
73.	Albuquerque, NM	Jones Intercable	83,119	(5/89)
74.	Dover/Morristown, NJ	Sammons	82,871	(5/88)
75.	Portland, OR	KBLCOM	82,567	(6/88)
76.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
77.	Fresno, CA	Continental	82,103	(12/88)
78.	Fayetteville, NC	ATC	82,000	(12/88)
79.	Orange County	KBLCOM	81,604	(1/89)
80.	South Bend, IN	Heritage	80,776	(5/88)
81.	Oakland County, MI	United	80,564	(5/88)
82.	New Orleans, LA	Cox Cable	80,348	(3/88)
83.	Indianapolis, IN	ATC	80,000	(12/88)
84.	Independence, MO	Jones	79,897	(11/88)
85.	Baton Rouge, LA	UA Cablesystems	79,586	(4/88)
86.	Akron, OH	Warner	79,070	(5/88)
87.	Columbus, OH	Warner	78,454	(5/88)
88.	Allentown, PA	Service Electric	78,000	(12/88)
89.	St. Petersburg, FL	Paragon	78,000	(4/88)
90.	Medford Complex Boston Suburbs, MA	Warner	77,167	(5/88)
91.	South Texas, TX	Heritage	77,160	(5/88)
92.	Pleasant Hill, CA	WestMarc	74,268	(5/89)
93.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
94.	Omaha, NE	Cox Cable	73,361	(3/88)
95.	Flint, MI	Comcast	72,923	(6/88)
96.	Little Rock, AR	Storer	72,681	(5/88)
97.	Ocean County, NJ	Adelphia,	72,355	(3/88)
98.	W. San Fernando Va, CA	CV Industries	72,164	(2/89)
99.	Lincoln, RI	Heritage	71,625	(5/88)
100.	Santa Monica, CA	Century	71,000	(2/89)

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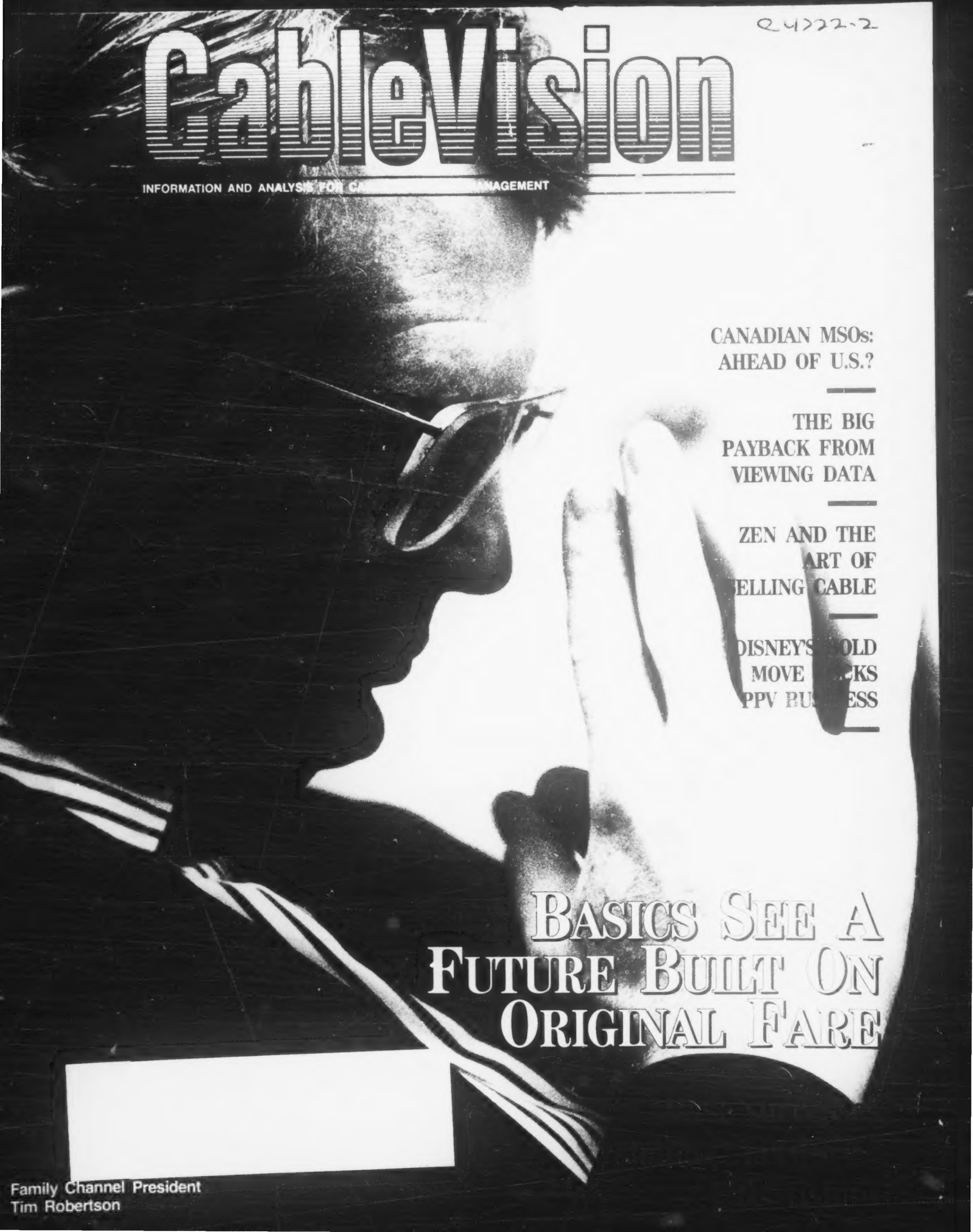

CableVision

INFORMATION AND ANALYSIS FOR CA ANAGEMENT

CANADIAN MSOs:
AHEAD OF U.S.?

THE BIG
PAYBACK FROM
VIEWING DATA

ZEN AND THE
ART OF
ELLING CABLE

DISNEY'S OLD
MOVE CKS
PPV BUS ESS

BASICS SEE A FUTURE BUILT ON ORIGINAL FARE

Family Channel President
Tim Robertson

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT JULY 3, 1989

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The CABLE POLL

™Midwest CATV & CableVision Magazine

Operators want trade shows to focus more on education

The ideal cable trade show would offer greater educational opportunities, focus on technological issues, offer a wide exposure to hardware vendors and be somewhat shorter but absolutely no longer, according to Cable Poll™ data in which nearly half the respondents said they did not attend a single convention last year.

Asked by Cable Poll™ interviewers to rate the things they considered "very important" about attending trade shows, 49 percent said it was exposure to new hardware and technology, 48 percent said it was socializing and meeting other people, 45 percent said it was developing vendor relationships, 41 percent said it was interacting with the programmers, and 39 percent said it was attending panel sessions.

One thing system management personnel definitely want out of trade shows are more opportunities to increase their knowledge of the business. Asked if they favored more educational opportunities at conventions, a resounding 91 percent said yes.

Fifty-seven percent said they opposed having more "programming only" shows, while 65 percent said they favored more "technology only" conventions. But one thing respondents don't want is shows that run over several days. Forty-two percent of respondents said they favored shorter conventions, and 83 percent said they opposed shows lasting longer than most do now.

Number

7

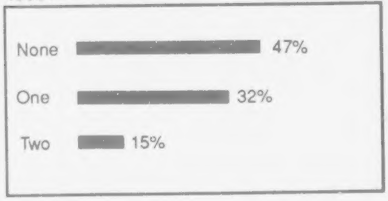
in a series of ten

A surprising 47 percent of all respondents said they did not attend any trade shows last year, and of the roughly half who did, 32 percent said they went to only one and 15 percent said they attended two. But, interestingly, a majority—52 percent—said they opposed having fewer conventions.

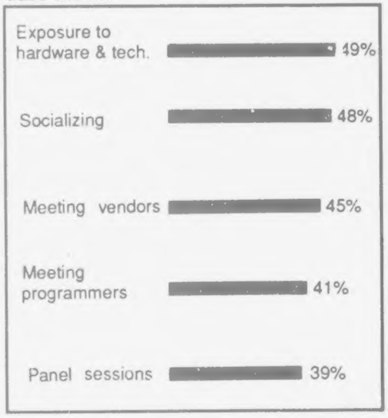
Asked what shows they would attend if they could go to three, the respondents most often mentioned the National Show (39 percent), their local state show (26 percent), and the Western Show (25 percent). Close behind were the Atlantic Show (21 percent) and the Eastern Show (20 percent).

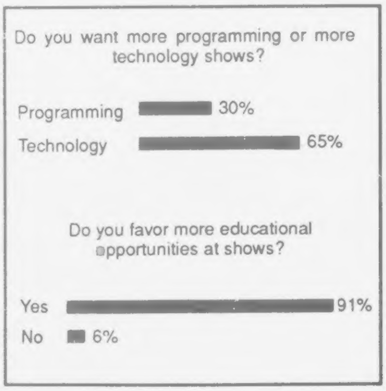
The Cable Poll™ is a sampling of industry opinion conducted on a regular basis by Ryan/Samples Research Inc. for Midwest CATV and *CableVision* magazine. Telephone interviews for this edition of the poll were conducted March 13-23; a total of 400 interviews were completed using a listing of system management personnel obtained from CableFile Research. Cable Poll™ researchers are 95 percent confident that the results are accurate within plus or minus 4.9 percentage points. ■

How many trade shows did you attend in 1988?



What do you consider very important about trade shows?



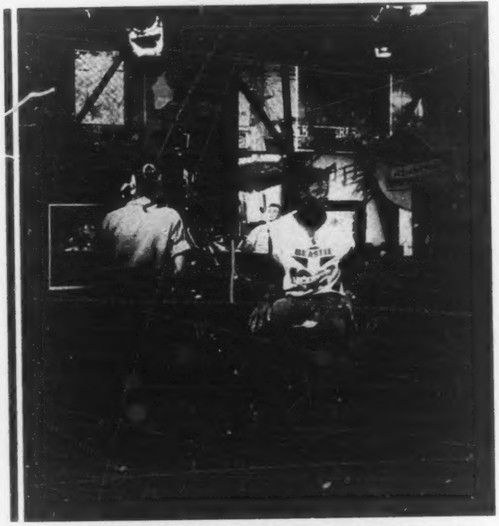

Do you want more programming or more technology shows?

Do you favor more educational opportunities at shows?

Canada's MSOs setting trends that may be mirrored in States

◆◆◆◆◆◆

By Larry Jaffee



MuchMusic, Canada's answer to MTV, is celebrating its fifth anniversary next month. The Toronto-based network currently reaches over 3.8 million cable subscribers from its street-level studio. The universe will reach 5 million in September when MuchMusic, originally a pay channel, becomes universally available on systems' basic service tier.

While it's true that the Canadian cable television industry continues to be a pale reflection of its American counterpart, which is 10 times its size, cable in Canada is more rapidly reaching maturity while diversifying into other telecommunications businesses in a pattern that may be duplicated in the States.

Canadian MSOs continue to operate under relatively tight government regulations on rates and types of allowable programming, factors which have caused them to lag behind their American counterparts in cable-developed programming, in channel capacities and in taking advantage of new revenue streams such as pay-per-view and local advertising sales.

But despite this, the Canadian cable industry is ahead of the U.S. in other respects. Perhaps because penetration in Canada already stands at 70 percent—an enviable figure from a revenue standpoint but one which indicates limited future growth—Canadian operators embraced fiber optics sooner and are moving at a more rapid pace than Americans in deploying the technology.

And some Canadian cable companies aggressively are diversifying into non-cable businesses, a trend best exemplified by Rogers Communications, Canada's largest MSO, getting into the long-distance telephone business, financed largely with money from the sale of its U.S. cable holdings last year. The move into the long-distance market is "a natural thing for us to get into," says Chairman Ted Rogers. Rogers already has a sizable cellular phone business.

Meanwhile, Videotron Ltee., the second largest MSO, plans to establish its own digital fiber link between Montreal and Quebec. The link will provide interactive TV, home shopping and home banking to subscribers as well as dedicated video and high-speed data transmission services to government and private enterprises. The move positions Videotron as a major player in telecommunications.

Canadian operators are rapidly upgrading their plants with fiber optics. Ken Regnier, vice president of marketing and sales for Comlux, a manufacturer of advanced digital fiber optic terminal equipment, estimates that fiber is being used at a greater pace on a per-system basis in Canada than in the U.S.

Rogers will spend $525 million, approximately $330 per subscriber, over the next three years to make technological improvements to its communications networks in Ontario, Alberta and British Columbia. (All figures herein are expressed in Canadian dollars.)

Rogers recently bought Comlux's 560 Megabit Optical Terminals for its systems in the Toronto area. The Rogers network system will provide full bi-directional operation between customer sites, as well as fully redundant fiber optic transmission paths.

Another example of Canadian fiber use is CF Cable TV of Montreal, which is linking two hubs by fiber. The first hub was to be operational by July 1, and the second is targeted for completion in 1990. The FM network initially will have a 40-channel capacity; the hubs will be linked to the main headend via 2 km lengths of fiber cable.

And Maclean Hunter has been

using fiber in its systems during rebuilds to replace microwave links, according to Barry Gage, president of the Toronto-based company, the third largest operator in Canada. Maclean Hunter is also the sole remaining Canadian company in the U.S. cable market, with 330,000 subs.

Maclean Hunter, headed by Barry Gage, is rebuilding its systems with fiber links.

The Canadians as well have been in the forefront of HDTV to help establish a North American standard. Rogers and Maclean Hunter executives are participating in U.S.-based committees to evaluate the various proposals. Telesat Canada, which owns and operates the satellites for the Canadian cable industry, in October will begin a two-year closed-circuit test of advanced television applications using Scientific-Atlanta's HDB-MAC system, and later the Japan Broadcasting Co.'s MUSE equipment. HDTV signals will be transmitted via satellite to several theaters.

"Telesat is not trying to set an industry standard for HDTV," says Jacqueline Cook, Telesat Canada's broadcast services development manager. "What we are trying to do is bring advanced television systems to Canada to demonstrate the possibilities the new technology offers our customers, and enable ourselves to develop a level of technological and operational expertise which will allow them to make decisions about the technology and the standards that will be most suitable for Canada." She adds that Telesat would like to conduct the tests in partnership with the Canadian cable industry.

Despite Rogers' exit from the U.S., Maclean Hunter has no intention of selling its American holdings, which currently are being upgraded in a $25 million project. Gage points out that Maclean Hunter is in the middle of a major newbuild in Detroit, operates several sizable systems in New Jersey and is planning a move into Florida by acquiring the Fort Lauderdale system owned by

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CANADIAN CABLE OVERVIEW

	'84	'85	'86	'87
PENETRATION				
Operating Systems	747	827	921	1,000
TV Households	9.3	8.9	9.3	9.4
Homes Passed	7.1	7.4	7.7	8.0
Subscribers	5.4	5.7	6.0	6.3
% Subs vs. Total Homes	62.1%	63.5%	65.2%	67.0%
% Subs vs. Homes Passed	75.9%	77.0%	78.1%	79.0%
Kilometers of Plant	108,200	114,100	124,000	133,900
REVENUES				
Operating Income	593.0	673.3	767.0	870.6
Average Monthly Rate	$9.30	$9.96	$10.69	$11.47
Net Profit After Tax	36.7	51.5	75.2	89.1
Return on Net Fixed Assets	5.7%	7.2%	9.2%	10.0%
ASSETS				
Gross Fixed Assets	$1,210.0	$1,341.9	$1,562.5	$1,732.0
Net Fixed Assets	$ 648.5	$ 720.2	$ 821.3	$ 887.5

NOTE: Expression in Canadian dollars. Subscriber numbers and financials in millions.

Selkirk Communications, also a Canadian company that uprooted from the U.S.

Maclean Hunter would like to expand further in the American market, but has been frustrated by high prices. "We looked at a number of acquisitions for a number of years, and never could justify that kind of price," Gage says.

A partnership between cable and telcos is "possible but difficult, and depends on how badly the telcos want to be in the (cable) business," he says, noting that the industries, in Canada as well as in the U.S., do not have a history of cooperation. Similar to the American experience, Canadian cable operators haven't forgotten fights with the telcos over access to poles, Gage points out.

Financially assisting the Canadians in adopting new technology rapidly and diversifying is the fact that properties there turn over at a much slower pace, with mature system sale prices running at $800-$1,000 per subscriber, compared to the $2,500-$3,000 per sub fetched south of the border. Accordingly, Canadian system buyers enjoy return on investment in as soon as a year after purchase.

Another notable distinction between the two industries is that Canadian cable systems do not provide converter boxes to subscribers. Those units are sold in general merchandise and electronics retail stores. Observers note that the lack of control over the boxes probably contributes to a theft-of-service problem on both sides of the border.

For all of the differences, both industries share many common goals—strengthening customer satisfaction and loyalty, improving customer service, controlling churn, marketing different programming packages, competing with broadcasters for viewership, beating theft of service, planning for technological advances, and even keeping the telephone companies at bay.

"It's basically the same business, with the exception of the regulatory environment," comments Gage. "There's less regulation in the States."

The landmark free-trade agreement, ratified last year by both countries, will have some effect on cable in that one of its goals is establishing a mutual copyright payment scheme. Modeled somewhat after the American compulsory license and Copyright Royalty Tribunal, the agreement requires Canadian operators who pick up the signals of U.S. broadcast stations to compensate the owners of that programming.

Because approximately 70 percent of Canadians live within 100 miles of the U.S. border, they historically have relied on American broadcasters for much of their television. The lack of a Canadian copyright payment system has been a sore point with the creators of American programming, an issue that should be resolved when the new Canadian copyright system goes into effect on Jan. 1.

Anxiously awaiting the new copyright scheme are American superstations TBS, WGN, WPIX and WWOR, which are awaiting U.S. State Department approval to be distributed in Canada. The superstations will join CNN (received by 1.3 million subscribers) and Headline News (600,000 subs); Arts & Entertainment (1.2 million subscribers); Financial News Network (400,000 subs); The Nashville Network (just under 1 million subs); and Country Music Television (350,000 subs) in reaching a wide Canadian audience.

Teddy Turner IV, CMT's vice president of sales and marketing, reports that country music is so popular in Canada that CMT probably will be in a million Canadian homes by the end of the year, based on conversations he had with operators at the recent Canadian cable convention in Toronto.

CNN/Headline, A&E, TNN, FNN and CMT have been allowed to operate by the Ottawa government for about the past five years because they feature types of programming unavailable in Canada.

Because many Canadians are leery of their country becoming the "51st state" and seek to preserve their cultural identity, the government has strict content regulations that will prevent some program services—notably MTV, ESPN and HBO—from ever competing with their Canadian counterparts MuchMusic, The Sports Network and First Choice.

The Canadian Broadcasting Corp.'s CBC Newsworld, Canada's first 24-hour national news and information network, launches July 31 to 4.5 million subscribers. Because CNN and Headline News generally cover little Canadian news, they are expected to have no problem remaining in Canada. Furthermore, CBC Newsworld will fill a domestic void by focusing on the large country from every region, with less emphasis on the U.S. and rest of the world.

In something of a programming role reversal, CBC is planning a cable channel for the U.S. called North Star, which will assemble the best of Canada's television. CBC is searching for a Canadian business partner to provide the financing, and also is finalizing an agreement with an undisclosed American partner for marketing and uplink services.

Jack Crane, CBC special projects officer, says the American firm would not necessarily be an established cable programmer or operator. Cognizant that tight channel capacity always is an issue when launching a cable network in the U.S., Crane says that North Star is at least a year away and contingent upon securing the necessary financing.

A Canadian version of C-SPAN called CPaC (Canadian Parliamentary Channel), developed by the CBC and cable operators, was scheduled to be the subject of a CRTC hearing on June 27. The channel, which will televise House of Commons sessions and provide coverage and analysis of the Canadian legislative and political process, has operator commitments representing 5.2 millions subscribers.

Pay-per-view seems to be a far off proposition, mainly because the country isn't technologically ready for it. Fred Klinkhammer, chairman of First Choice, the pay movie service for eastern Canada with 500,000 subscribers, notes that there are only 400,000 addressable homes in eastern Canada. Super Channel, the pay movie service for western Canada, has about 200,000 subscribers. For PPV to be successful, there must be a universe of at least 30 percent addressable homes throughout the country, Klinkhammer believes.

On the hardware side, most of the large American suppliers, including General Instrument, Anixter and Times Fiber Communications, already are doing business in Canada, so the free-trade agreement should not noticeably increase sales. But the cost of American hardware sold to Canadian operators likely will decrease with the eventual dissolution of duties, currently at 12 percent, over the next decade, in accordance with the trade pact.

Basic subscriber growth in Canada is expected to maintain a steady pace of just under three percent per year, reaching eight million subscribers by 1994. Penetration of homes passed will increase from 78.5 percent in 1987 to 80.4 percent in 1994, the Canadian Cable Television Association forecasts.

According to Statistics Canada data, from 1980 to 1987 annual revenue per basic subscriber increased from $81.19 to $138.14. The revenue is expected to increase to $148.38 in 1988 and reach $167.81 in 1989.

The rhetoric at this year's CCTA national convention in Toronto would have sounded familiar to any American cable executive, especially the concerns expressed about the telephone companies. Outgoing CCTA chairman Noel Bambrough, president of Cablecasting Ltd. of Toronto, said in a speech that "Our industry has had a 35-year running battle with Bell, in fact, all telcos in this country, and a negative view of the telephone industry. This view is not necessarily shared by the public. We must change the public perception if we want to keep the telcos out of our business."

Ted Rogers wants his MSO, Rogers Cablesystems, to offer Canadian long-distance telephone service.

He also called for better customer service combined with comprehensive, responsible self-regulation as essential ingredients for the industry's future success.

In Canada, telephone companies generally are prevented by law from owning or operating cable systems. Current CRTC regulation allows only one cable company to serve a market, meaning there are no overbuilds, so if a telco wanted to get into cable it must find an unserved area or seek a change in law.

However, waivers are possible, such as the one obtained by Sasktel, which has an AM fiber system operating in Saskatchewan delivering 16 channels in a market test of video-on-demand services. The experiment allows subscribers to select from a menu of 192 movies. Once all 16 channels are activated, additional subscribers can tune in to any one of the 16 movies already selected.

Under a restriction similar to the AT&T consent decree, Bell Canada is prohibited from owning or operating cable companies. However, an affiliated company, Bell Canada Enterprises, isn't under the same prohibition and could theoretically obtain a license from the CRTC.

When Ted Rogers announced in April that he was entering the long-distance telephone market, Bell Canada renewed its rumblings about entering the cable business. Bell Canada and the provincial telephone companies, through their affiliation with Telecom Canada, have a monopoly in the long-distance business.

Mike Murphy, Bell Canada's director of policy development, points out that there's needless antagonism going on between the telcos and cable industry. Since the telcos are going to replace copper wire with fiber optics by the early to mid-1990s, telcos might make cable companies the proposition: "What about using our plants?" Under such a cooperative joint venture, telcos would not displace or compete with existing cable companies, Murphy points out.

Bill Anderson, British Columbia Telephone's business development manager, agrees that too much is made of the two industries' bad relations. Instead, BCT would like to see telcos and cable companies cooperate and become business partners. BCT has conducted research and development on providing video to the home, specifically video-on-demand. "The demonstration in the lab is working well. But we have no interest in pushing the lab demonstration into a product," Anderson says.

Fiber optics are going to be deployed in telco plants with or without cable. "That's a factual reality," Anderson says. "If the cable industry shows no interest in working with us, they will force the telephone companies into a different strategy," he adds.

The jury is out on just where the government stands on the telco entry issue. Within the past year, two communications government officials were replaced, CRTC Chairman Andre Bureau and Communications Minister Florence MacDonald. At the 1988 CCTA convention, Bureau and MacDonald had mostly good things to say about the cable industry and seemed inclined not to allow the telcos in cable.

However, at this year's convention their replacements—Acting CRTC Chairman Louis Sherman and Communications Minister Marcel Masse—were non-committal as to whether cable deserves any special protection from the telcos, noting that cable companies have non-programming, information service interests as well.

Masse's predecessor, MacDonald, had proposed that Parliament, in the still-pending Broadcasting Act, define cable systems as much more than common carriers to allow them to be program investors. It's unclear whether Masse shares that view.

Ending on a decidedly optimistic, upbeat note, a recent CCTA report on the industry's future concluded that HDTV will be introduced by the Canadian cable industry long before the telcos even have the ability to deliver video signals to the home.

At the CCTA convention, Ted Rogers made an apt point about the so-called "telco threat" that could have been directed at the American cable industry. He talked about how the cable industry must have a better public perception of services than the telcos. Rogers advised that repair lines should be open 24 hours; business offices should be open seven days a week from early morning to night; installations should be provided instantaneously through remote control as the telcos do, and in the interim, operators should provide installations at a time of the customer's choosing.

If that level of service can not be provided by all systems, then regional groupings and services offered by the larger companies at cost should be utilized, he said.

"In the final analysis, we will only prevail if we deliver the product better on our own facilities, and are seen by our subscribers to be doing the job better," said Rogers, who predicted that the U.S. Congress will amend the Cable Act within five years either by reimposing municipal rate control or by allowing telcos to compete with cable.

With enough of a challenge at home, it sounds like Rogers has no regrets about pulling out of the U.S. cable market. ■

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	387	9,000,000
Alternate View Network	300	4,500,000
Arts & Entertainment Network (A&E)	3,300	39,000,000
Black Entertainment Television	1,800	22,228,000
CNBC	N/A	13,000,000
Cable News Network	11,860	50,293,000
Cable Value Network	1,850	21,000,000
C-SPAN	3,262	44,000,000
C-SPAN II	642	17,000,000
Country Music Television	1,092	9,124,974
The Discovery Channel	5,324	42,300,000
Eco Galavision	300	1,000,000
ESPN	20,500*	51,100,000
Eternal Word Television Network	490	10,800,000
The Family Channel	8,503	44,277,000
Family Guide Network	60	4,500,000
FamilyNet	54	3,500,000
The Fashion Channel	650	10,100,000
Financial News Network	3,500	33,412,000
FNN Score	1,500	19,800,000
Headline News	3,410	35,774,000
Home Shopping Network	1,470	16,565,770
Home Shopping Network II	372	6,618,609
The Inspirational Network	920	9,500,000
International Television Network	25	7,868,900
J.C. Penney TV Shopping Channel	119	5,100,000
KTVT	417	3,600,000
The Learning Channel	1,100	16,600,000
Lifetime	3,800	42,757,000
Mind Extension University	84	2,200,000
MTV	5,405	46,070,000
Movietime	447	13,000,000
The Nashville Network	7,741	44,835,000
National College Television	147	5,800,000
Nick At Nite	3,440	39,600,000
Nickelodeon	6,600	45,500,000
The Nostalgia Channel	330	5,500,000
Prevue Guide	394	10,000,000
QVC Network	1,037	14,000,000
RFD TV	30	2,182,190
Silent Network	169	13,600,000
SportsChannel America**	N/A	1,500,000
Superstation TBS	9,426	49,190,000
Telemundo***	2	100,000
TNT	2,745	29,100,000
The Travel Channel	400	11,003,000
Trinity Broadcasting Network	725	9,100,000
Univision***	500	509,500
USA Network	10,100	47,296,000
VH-1	2,530	32,139,000
Vision Interfaith Satellite Network	315	6,200,000
The Weather Channel	3,650	38,500,000
WGN-TV	11,418	24,900,000
WWOR-TV	2,600	12,500,000
WPIX-TV	858	9,678,474

Bonus/basic services

American Movie Classics	1,700	20,000,000
Bravo	375	2,500,000

Pay services

American Exxxtasy	35	27,000
Cinemax	3,650	6,600,000
The Disney Channel	5,700	4,337,300
Home Box Office	7,400	17,000,000
The Movie Channel	3,250	2,700,000
The Playboy Channel	526	470,000
Showtime	6,000	6,600,000

Audio services

AEI Lifestyle	142	2,578,838
AEI StarTracks Vocal Hits	26	854,390
Cable Radio Network	49	1,556,736
Galatic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000

Computer services

DBC/MarketWatch	462	9,200,000
X*Press Executive	487	14,000
X*Press X*Change	487	14,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Consumer Classified Ad Network	3	195,000
Fuji Network	3	12,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Pay services

Nippon Golden Network	5	13,600

Interactive services

Basic services	Affiliates	Subscribers
Video Jukebox Network	12	543,000

Regional services

Basic services	Affiliates	Subscribers
Arizona Sports Programming Network	N/A	210,000
Atlanta Interfaith	7	180,000
Bay Area Religious Channel	6	113,000
Cable TV Network of New Jersey	54	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,200,000
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,400,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	594,000
Niagara Frontier Sports Network	13	800,000
Northwest Cable Sports Network	3	700,000
Pennarama	28	750,000
Prime Cable	9	381,938
Prime Sports Network	11	300,000
Prime Ticket	115	3,500,000
SportsChannel (Chicago)	50	1,507,270
SportsChannel (Ohio)	2	280,000
Sunshine Network	200	2,310,000

Pay services

Home Sports Entertainment	250	1,000,000
Home Team Sports	125	1,200,000
New England Sports Network	171	317,201
Prism	87	427,000
Pro Am Sports	173	523,000
SportsChannel (Florida)	22	650,000
SportsChannel (New England)	154	1,028,431
SportsChannel (New York)	100	1,300,000
Z Channel	73	110,010

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.

N/A denotes information not available.

***Includes MMDS and SMATV systems**

****Count represents standalone affiliates/subscribers; portions of SC America are carried on Home Team Sports and the SportsChannel family of regional services.**

*****Spanish-speaking households.**

Announced services

Satellite-fed services	Expected launch
American Western Network	4th Quarter 1989
The [illegible] Network	7/89
Career Channel Network	10/89
CD/8: The Digital Music Network	7/89
The Computer Channel	9/89
Digital Cable Radio	4th Quarter 1989
Digital Radio Channel	4th Quarter 1989
The Gaming Network	3rd Quarter 1989
HA! TV Comedy Network (MTV)	1st Quarter 1989
HBO Comedy Channel	4th Quarter 1989
Interactive Game Network	3rd Quarter 1989
Kids Information Network	3rd Quarter 1989
The Landscape Channel	3rd Quarter 1989
Maximum Entertainment Network	9/89
[illegible] Sports News Network	4th Quarter 1989
Music Image Channel	11/89
Spanish TV News Network	4th Quarter 1989
Talk Television	4th Quarter 1989
[illegible]	8/89

Non satellite-fed services	Expected launch
ACTV	3rd Quarter 1989
Main Street	3rd Quarter 1989
On Demand [illegible] TV Network	4th Quarter 1989

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT JULY 17, 1989

DIGITAL AUDIO:
SO FAR, SO GOOD

MARKETING CO-OPS
STRETCH AD DOLLARS

MULTIPORT EASES
CONSUMER INTERFACE

NEW HURDLES SEEN
IN TIME INC. DEALING

WOMEN IN CABLE RENEWING VISION AT TEN-YEAR MARK

Group sees new ways
to tackle age-old problems

CableVision

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Ticking Time-bombs?

City buyout clauses in some Time and Warner franchises raise problems

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ABP BPA

The CABLE POLL

Midwest CATV & CableVision Magazine

Most operators offering pay-per-view satisfied with financial performance

While only 28 percent of cable systems offer a pay-per-view service, 61 percent of those that do say it has met or exceeded their financial expectations, according to data from The Cable Poll™.

The PPV industry, while steadily growing, continues to be largely a large-system undertaking. A majority—56 percent—of those systems with more than 50,000 subscribers offer a pay-per-view service, a figure that declines in proportion to the size of the system, shrinking to 12 percent of systems with fewer than 10,000 subs. Similarly, the financial payback of pay-per-view increases according to the size of the system, the data indicate. Eighty-eight percent of those systems with more than 50,000 subs offering pay-per-view say the service met or exceeded their expectations.

Technological limitations continue to be the biggest barrier to the growth of the pay-per-view industry. Asked why their systems did not offer a pay-per-view service, 39 percent of Cable Poll™ respondents cited technical reasons. And many operators apparently continue to believe that PPV is not a real money-maker, with 23 percent of respondents saying they do not feel it would be profitable in their market. Nineteen percent said the hardware is too expensive.

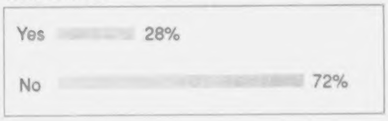
Number 8 in a series of ten

While pay-per-view vendors lately have been offering various kinds of special events, such as rock concerts and stock car races, operators continue to believe that movies and sporting events sell best in the markets. Among those surveyed, 35 percent said movies sell best while 64 percent thought sporting events draw the highest buy rates.

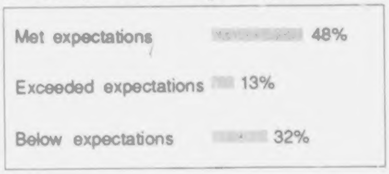
Looking ahead to the proposed offering of some 1992 Olympic events on pay-per-view, operators apparently are leaning toward the undertaking. Thirty-four percent of those polled said they plan to carry the Olympics on pay-per-view and only 21 percent said they would not. Forty-five percent said they are undecided as to their plans, figures that remain fairly constant across the range of system sizes.

The Cable Poll™ is a sampling of industry opinion conducted on a regular basis by Ryan/Samples Research Inc. for Midwest CATV and *CableVision* magazine. Telephone interviews for this edition of the poll were conducted March 13-23; a total of 400 interviews were completed using a listing of system management personnel obtained from CableFile Research. Cable Poll™ researchers are 95 percent confident that the results are accurate within plus or minus 4.9 percentage points. ■

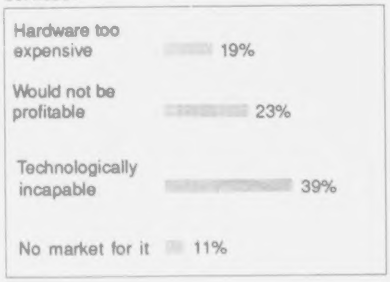
Does your system offer subscribers a pay-per-view service?



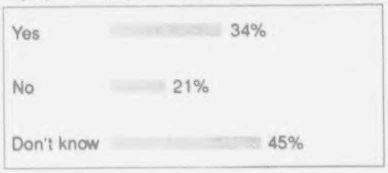
Would you say the financial return on your pay-per-view investment has been met, exceeded, or been below your expectations?



Why does your system not offer pay-per-view services?



Does your system plan to carry the 1992 Olympics on pay-per-view?



Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc	6,200,000	(4/89)
2.	American Television & Communications Corp	4,100,000	(4/89)
(9) 3.	UA Entertainment	2,642,729	(6/89)
(3) 4.	Continental Cablevision	2,404,000	(5/89)
(4) 5.	Warner Cable Communications	1,596,000	(6/89)
(5) 6.	Storer Cable Communications	1,530,700	(1/89)
(6) 7.	Cox Cable Communications	1,501,500	(4/89)
(7) 8.	Comcast	1,463,000	(5/89)
(8) 9.	Cablevision Systems	1,371,645	(6/89)
(11) 10.	Jones Intercable/Spacelink	1,188,298	(5/89)
(12) 11.	Newhouse Broadcasting	1,147,000	(5/89)
(13) 12.	Heritage Communications	1,100,000	(4/89)
(14) 13.	Times Mirror Cable TV	997,156	(1/89)
(15) 14.	Viacom Cable	955,000	(4/89)
(16) 15.	Cablevision Industries	929,000	(4/89)
(17) 16.	Sammons Communications	853,900	(4/89)
(18) 17.	Century Communications	800,000	(4/89)
(19) 18.	Cooke Cablevision	730,800	(5/89)
(20) 19.	Adelphia Communications	721,700	(5/89)
(21) 20.	Paragon Communications	703,000	(1/89)
(22) 21.	Falcon Cable TV	632,500	(3/89)
(23) 22.	Centel Cable	598,546	(5/89)
(24) 23.	Telecable	580,000	(5/89)
(25) 24.	KBLCOM	558,100	(4/89)
(26) 25.	WestMarc Communications	561,878	(4/89)
(27) 26.	Scripps-Howard	531,000	(3/89)
(28) 27.	Multivision Cable TV	482,000	(4/89)
(29) 28.	Tele-Media	466,328	(5/89)
(30) 29.	Prime Cable	458,000	(6/89)
(31) 30.	Post-Newsweek Cable	403,000	(4/89)
(32) 31.	Lenfest Group	365,915	(5/89)
(34) 32.	Maclean Hunter Cable TV	357,500	(5/89)
33.	TCA Group	349,300	(4/89)
(35) 34.	Rifkin & Associates	324,000	(4/89)
(36) 35.	Multimedia Cablevision	321,300	(4/89)
(37) 36.	Colony Communications	312,900	(4/89)
(38) 37.	TKR Cable	278,482	(5/89)
(56) 38.	Triax Communications	277,500	(6/89)
39.	Western Communications	266,700	(4/89)
(41) 40.	Cencom Cable	259,484	(6/89)
(40) 41.	Star Cablevision Group	254,000	(1/89)
42.	Simmons Communications	246,698	(1/89)
43.	Hauser Communications	232,000	(5/89)
44.	Communications Service Inc	228,526	(12/88)
45.	Service Electric Cable TV Inc	211,500	(4/89)
46.	Greater Media	188,700	(3/89)
47.	Harron Communications	177,700	(3/89)
(50) 48.	Sutton Capital	174,060	(6/89)
(48) 49.	Columbia International	174,000	(4/89)
(49) 50.	Media General	173,700	(5/89)
51.	Palmer Communications	160,551	(5/89)
52.	Insight Communications	157,700	(4/89)
53.	U.S. Cable Corp	154,300	(3/89)
54.	Armstrong Utilities	151,800	(3/89)
55.	King Videocable	141,158	(1/89)
(57) 56.	Northland Communications	137,148	(4/89)
(58) 57.	Summit Communications	136,600	(3/89)
(59) 58.	Bresnan Communications	127,351	(1/89)
(60) 59.	Booth Communications	119,000	(1/89)
(61) 60.	Sonic Communications	117,551	(5/89)
(62) 61.	McDonald Group	115,200	(4/89)
(63) 62.	Susquehanna Broadcasting	113,200	(2/89)
(64) 63.	United Video Management	106,000	(3/89)
(65) 64.	Pencor Services	100,400	(2/89)
(68) 65.	First Carolina Communications	99,500	(3/89)
66.	Midcontinent Cable Systems Co.	95,550	(6/89)
(69) 67.	WEHCO Video	93,900	(4/89)
(70) 68.	Omega Communications	90,500	(3/88)
(73) 69.	Gilbert Media	85,000	(6/89)
(71) 70.	Coaxial Communications	80,000	(5/89)
(72) 71.	Selkirk Communications	77,500	(3/89)
(74) 72.	James Cable Partners	70,000	(4/89)
(75) 73.	Douglas Communications	64,100	(3/89)
(76) 74.	Barden Cablevision	62,700	(3/89)
(77) 75.	Cardinal Conunications	60,500	(6/89)
(78) 76.	C-TEC Cable Systems	58,600	(5/89)
(80) 77.	Hearst Communications Of California	58,200	(5/89)
(96) 78.	Fanch Communications	58,000	(6/89)
79.	Prestige Cable TV Inc.	57,500	(3/89)
(84) 80.	Telesat Cablevision Inc.	57,235	(6/89)
81.	State Cable TV	54,700	(5/89)
82.	Joseph Gans Cable TV	54,000	(12/88)
83.	Pagnotti Inc.	52,590	(12/88)
(85) 84.	Bachow & Elkin Communications	51,700	(1/89)
(86) 85.	Galaxy Cablevision	51,700	(3/89)
(87) 86.	Leonard Communications	51,700	(12/88)
(88) 87.	Helicon Corp	50,000	(4/88)
(89) 88.	New England Cablevision	49,000	(4/89)
(new) 89.	Republic Communications Corp.	48,000	(5/89)
90.	Rock Associates	47,500	(3/89)
91.	Donrey Media Group	47,500	(3/89)
(new) 92.	360 Corp.	45,000	(5/89)
(92) 93.	CableSouth Inc.	42,100	(2/89)
(93) 94.	CableAmerica	42,000	(2/89)
95.	Eastern Connecticut Cable TV	41,820	(6/89)
(94) 96.	Cable Holdings Inc	41,800	(3/89)
97.	Acton Corp.	40,400	(3/89)
98.	Star Cable Associates	40,000	(12/88)
99.	Fairbanks Communications	36,400	(3/89)
100.	ParCable	36,142	(5/89)

( ) Rank last listing

Subscriber counts are provided by MSOs and systems to Cable Vision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 345 Park Avenue So., 9th Floor, New York, NY 10010*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Long Island, NY	Cablevision Systems	472,225	(6/89)
2.	San Diego, CA	Cox Cable	301,765	(4/89)
3.	Orlando/Melbourne, FL	ATC	298,000	(2/89)
4.	San Antonio, TX	KBLCOM	234,835	(6/89)
5.	Manhattan, NY	ATC	231,864	(6/89)
6.	Phoenix, AZ	Times Mirror	220,968	(5/89)
7.	East Orange, NJ	Maclean Hunter	212,000	(6/89)
8.	Houston, TX	Warner	207,000	(6/89)
9.	Puget Sound, WA	Viacom	203,000	(6/88)
10.	Honolulu, HI	ATC	202,000	(1/89)
11.	Chicago (suburbs), IL	Continental	177,208	(2/89)
12.	Wayne, NJ	UA Entertainment	174,173	(6/89)
13.	Cincinnati, OH	Warner	167,000	(6/89)
14.	Rochester, NY	ATC	167,000	(1/89)
15.	Atlanta, GA	Prime Cable	166,329	(5/89)
16.	Cleveland, OH	Cablevision Systems	165,890	(6/89)
17.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
18.	Hampton Roads, VA	Cox Cable	162,964	(3/89)
19.	Cherry Hill, NJ	NYT	162,000	(1/89)
20.	Fairfax, VA	Media General	157,000	(11/88)
21.	Connecticut Complex	Cablevision Systems	156,080	(6/89)
22.	Jacksonville, FL	Continental Cablevision	154,600	(5/89)
23.	Hartford/Plainville/Vernon, CT	UA Entertainment	152,683	(6/89)
24.	Chicago, IL	TCI	148,857	(4/89)
25.	Memphis/W. Memphis, TN	ATC	148,000	(1/89)
26.	Kansas City, MO	ATC	147,000	(2/89)
27.	San Jose/Campbell, CA	Heritage	145,000	(6/89)
28.	Baltimore County, MD	Comcast	144,000	(6/89)
29.	Manhattan, NY	Paragon	143,500	(6/89)
30.	Tulsa, OK	UA Entertainment	140,015	(6/89)
31.	Denver (suburbs), CO	UA Entertainment	139,303	(6/89)
32.	Charlotte, NC	ATC	139,000	(1/89)
33.	Pompano, FL	Continental	136,793	(2/89)
34.	St. Louis, MO	Cencom	135,196	(6/89)
35.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
36.	Brooklyn/Queens, NY	Warner	132,500	(6/89)
37.	San Diego, CA	ATC	132,000	(1/89)
38.	Martin/Stuart Co., FL	Centel	129,460	(3/89)
39.	San Francisco, CA	Viacom	123,000	(6/88)
40.	Seattle, WA	TCI	120,518	(1/89)
41.	Austin, TX	ATC	120,000	(1/89)
42.	Warren, NJ	TKR	118,822	(6/89)
43.	Wilmington, DE	Heritage	112,000	(6/89)
44.	Grand Rapids, MI	UA Entertainment	111,198	(6/89)
45.	San Diego County, CA	Times Mirror	111,029	(5/89)
46.	Toledo, OH	Blade Communications	110,785	(5/89)
47.	Southeast Michigan	Comcast	110,000	(6/89)
48.	Chicago Suburbs, IL	Centel	109,576	(5/89)
49.	Las Vegas, NV	Prime Cable	107,288	(5/89)
50.	Dallas, TX	Heritage	107,244	(6/89)
51.	San Juan, PR	Multivision Cable	106,450	(12/88)
52.	Jefferson Parish/Kenner, LA	Cox Cable	105,811	(3/89)
53.	Indianapolis, IN	Comcast	104,000	(6/89)
54.	Raleigh/Durham, NC	ATC	104,000	(1/89)
55.	Boston/Brookline, MA	Cablevision Systems	102,168	(6/89)
56.	Orange County, CA	Times Mirror	101,922	(5/89)
57.	Pinellas County, FL	Newhouse	100,614	(6/88)
58.	Hillsborough/Tampa, FL	Paragon	100,281	(2/89)
59.	Tacoma, WA	Viacom	99,000	(6/88)
60.	Chicago, IL	Group W	98,700	(5/89)
61.	Richmond, VA	Continental	97,935	(1/89)
62.	Jackson, MS	ATC	97,000	(1/89)
63.	Tucson, AZ	Cooke	96,976	(4/89)
64.	Pittsburgh, PA	TCI	96,712	(1/89)
65.	St. Petersburg, FL	Paragon	95,412	(2/89)
66.	Monmouth, NJ	Sutton Capital	94,970	(6/89)
67.	Dade/Broward County, FL	Storer	94,577	(5/88)
68.	Naples, FL	Palmer	94,450	(6/89)
69.	Reading, PA	ATC	94,000	(1/89)
70.	Worcester Complex, MA	Greater Media	92,148	(12/88)
71.	Milwaukee, WI	Warner	92,000	(6/89)
72.	Greensboro, NC	ATC	91,000	(1/89)
73.	Nashville, TN	Viacom	90,000	(6/88)
74.	Wichita, KS	Multimedia	87,351	(1/89)
75.	Columbus, OH	Warner	85,000	(6/89)
76.	Baton Rouge, LA	UA Entertainment	84,976	(6/89)
77.	Fresno, CA	Continental	84,217	(6/89)
78.	Akron, OH	Warner	84,000	(6/89)
79.	Albuquerque, NM	Jones Intercable	83,119	(5/89)
80.	Fayetteville, NC	ATC	83,000	(1/89)
81.	Dover/Morristown, NJ	Sammons	82,871	(5/88)
82.	South Bend, IN	Heritage	82,744	(6/89)
83.	Portland, OR	KBLCOM	82,587	(6/88)
84.	Harrisburg, PA	Sammons	82,334	(5/88)
85.	Houston Suburbs, TX	Prime Cable	82,000	(6/89)
86.	Medford Complex Boston Suburbs, MA	Warner	82,000	(6/89)
87.	Orange County, CA	KBLCOM	81,604	(1/89)
88.	Oakland County, MI	UA Entertainment	80,564	(5/88)
89.	Indianapolis, IN	ATC	80,000	(1/89)
90.	Independence,MO	Jones	79,897	(11/88)
91.	Providence/Warwick, RI	Times Mirror	78,528	(6/89)
92.	New Orleans, LA	Cox Cable	78,493	(3/89)
93.	Allentown, PA	Service Electric	78,000	(12/88)
94.	Oklahoma City, OK	Cox Cable	77,014	(3/89)
95.	South Texas, TX	Heritage	75,560	(6/89)
96.	Omaha, NE	Cox Cable	74,472	(3/89)
97.	Little Rock, AR	Storer	74,274	(6/89)
98.	Pleasant Hill, CA	WestMarc	74,268	(5/89)
99.	Birmingham, AL	ATC	73,500	(5/89)
100.	Flint, MI	Comcast	73,000	(6/89)

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT JULY 31, 1989

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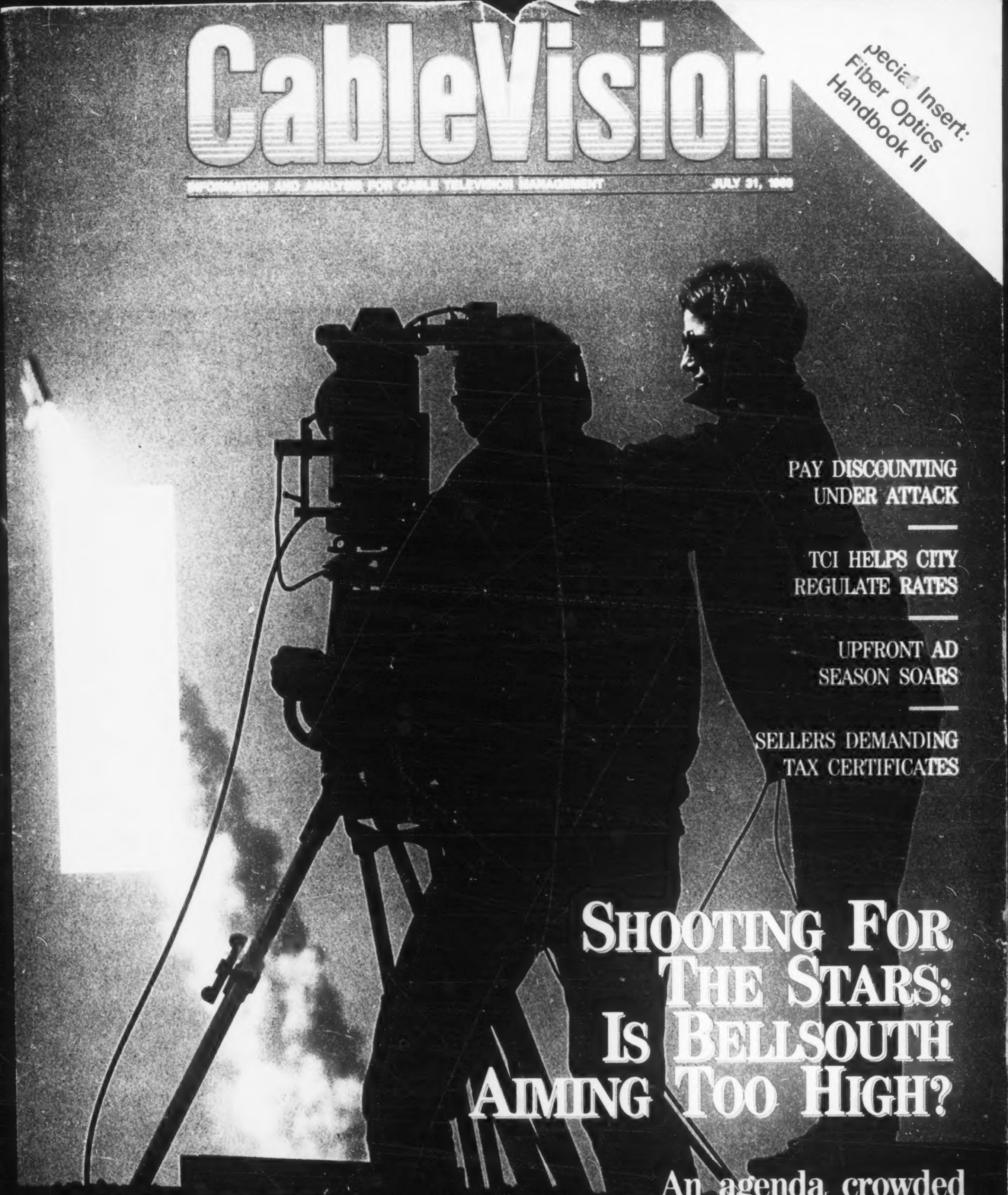
Fiber Optics
Handbook II



PAY DISCOUNTING
UNDER ATTACK

TCI HELPS CITY
REGULATE RATES

UPFRONT AD
SEASON SOARS

SELLERS DEMANDING
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SHOOTING FOR THE STARS: IS BELLSOUTH AIMING TOO HIGH?

An agenda crowded
by HDTV, broadband
ISDN and videotex

BellSouth camera crew captures
Space Shuttle launch in HDTV

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT JULY 31, 1989

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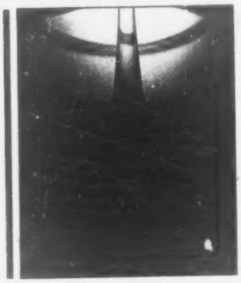

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ABP BPA

The CABLE POLL

™Midwest CATV & CableVision Magazine

Bouyed by past marketing gains, systems increase budgets by 19%

Encouraged by stepped-up marketing efforts that mostly met or even exceeded their expectations in attracting and upgrading subscribers, cable systems this year typically are allocating double-digit increases in marketing budgets, according to data from the Cable Poll™.

While the data indicate that all cable systems, large or small, are shifting greater resources into marketing, the trend is most pronounced among those with 50,000 or more subscribers. Among those systems, 69 percent plan to spend more on marketing this year than in 1988, itself a year of large marketing expenditures, and nearly half of those larger systems—45 percent—say the 1989 increase will be between 11 and 20 percent. The mean increase in marketing budgets this year for those systems is 19 percent.

Commenting on the data, CTAM President Margaret Durborow said it indicates that the industry now realizes that, as penetrations increase, "more and more marketing must be done to achieve real growth."

"Finally we as an industry are realizing we are marketing-driven," Durborow said. "The reality is that in the retail environment, you have to continue bringing new customers in, and across the board most are coming to the understanding that it takes money to make money." And given that most Cable Poll™ respondents say their previous marketing efforts have met or exceeded expectations, "They're beginning to see that if you invest, you get a payback," she said.

Number

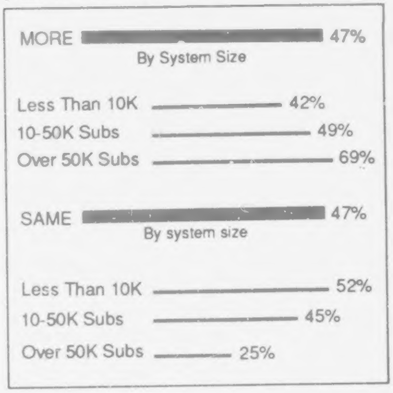
9

in a series of ten

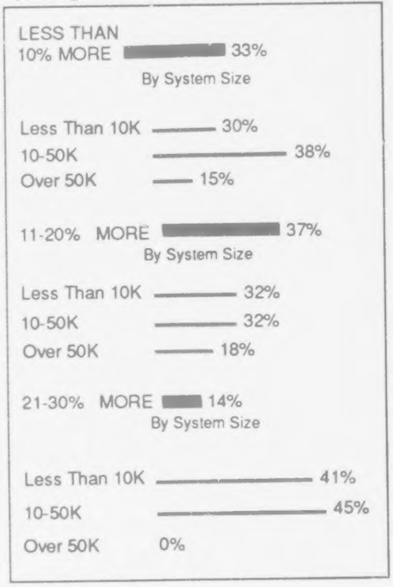
While larger systems have been in the forefront in marketing, the data indicate that smaller systems are catching up. While no systems with more than 50,000 subscribers reported increases in marketing budgets this year of as much as 30 percent, 18 percent of systems with between 10,000 and 50,000 subs said they will be spending between 21 and 30 percent more, and 15 percent of systems with fewer than 10,000 subs said their marketing budgets are that much higher.

The Cable Poll™ is a sampling of industry opinion conducted on a regular basis by Ryan/Samples Research Inc. for Midwest CATV and *CableVision* magazine. Telephone interviews for this edition of the poll were conducted March 12-23; a total of 400 interviews were completed using a listing of system management personnel obtained from CableFile Research. Cable Poll™ researchers are 95 percent confident that the results are accurate within plus or minus 4.9 percentage points. ■

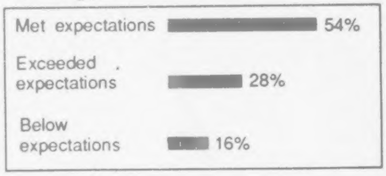
Will you be spending more on marketing this year, or about the same?



In percentages, how much more will you be spending?



Are you satisfied with the results of your marketing plan?



Is it time to move beyond pay discounting tactics?

◆◆◆◆◆◆

By Wayne Friedman

First Quarter Pay Activity

	First Quarter '89	First Quarter '88	Total (5/31/89)
Showtime	279,000	157,000	6,962,000
Cinemax	130,000	100,000	6,030,000
HBO	85,000	185,000	16,885,000
Disney	65,000	50,000	4,150,000
The Movie Channel	3,000	4,000	2,683,000
Playboy	-23,000	-25,000	440,000

Source: Paul Kagan Associates

Pay network executives have been enthusiastic about price incentive marketing ever since the 1988 numbers came in showing that such campaigns contributed to a double-digit gain in pay units. But lately operators have begun complaining that deep discounting and free offers aren't working as well as they used to, a restiveness stemming largely from disappointing first- and second-quarter results at several MSOs.

Many operators believe that price incentives, crucial to pay growth in times past, now are losing their effectiveness. But network executives counter that operators' 1989 basic rate increases are stunting pay marketing efforts, which include free-month trial offers and reduced-price or free installation deals. Operators say that while rate increases are partially to blame for the erosion in pay growth, better "value-oriented" marketing efforts are needed, whether from their own in-house campaigns or from the networks.

There is no question that discounting and free-trial offers in the past have worked in selling more pay units. According to the Motion Pictures Association of America, pay subscriptions rose 10.1 percent in 1988 to 37.2 million. That was a great improvement over the four percent gain pay saw in 1987 over the previous year. And looking at first quarter 1989 numbers, pay appears to be moving down the same path.

According to Paul Kagan Associates, pay gained 539,000 subscribers in the first quarter versus a 471,000 gain for the same period a year before. Showtime posted the biggest percentage gain, adding 77 percent more subscribers in the period compared to a year ago—279,000 units compared to 157,000. Cinemax and The Disney Channel were up 30 percent over last year's sub gain. Only HBO's growth rate was off, down 54 percent, adding 85,000 subs versus 185,000 a year ago.

In spite of the general robustness of these numbers, they are a drop in the overall pay bucket. Many top MSO executives express concern that pay's overall performance is flat or slightly lower than in the first quarter of 1988. This profile comes from such MSOs as Comcast, ATC, Warner, Jones Intercable, Continental and Heritage.

"It's been a real struggle to show any growth and keep things on a even keel," says Ted Livingston, senior vice president of marketing for Continental Cablevision. To rectify this sluggishness, Livingston says, current and future pay promotions in Continental systems won't offer many free or half-price trial offers. Instead, Continental will push free installations. "We don't think in the long run (a free offer) pays off. It's expensive to do. And there is rolloff. Over the long term it decreases the value of the pay services," he says.

"We are going to tone down the offers," says Lowell Hussey, senior vice president of sales, marketing and programming for Warner Cable, adding that "We have strategic concerns about discounts." Still, Warner did benefit from such promotions. Over the last nine months Warner bombarded the market with aggressive marketing techniques relying on free-trial offers, and garnered a total of 128,000 new pay units.

Even against this backdrop, Hussey feels the market is becoming more resistant. Excluding its newbuild in Brooklyn and Queens, New York, Warner's total pay category grew in the 1-2 percent range in the first quarter of this year, or 20,000 subscribers, compared to the addition of 34,000 pay units in the same 1988 period. "At some point the marketplace just says 'no' to offer after offer after offer," Hussey says.

Jones Intercable has had a similar experience. John Mathwick, group vice president of marketing, says that where the MSO's pay category grew by 2-3 percent in the first quarter of 1988, it achieved only a 1 percent gain in this latest period. He says it's a two-part problem. First, pay incentives: "We have run out of gas on this effort," says Mathwick. Second, "it's a structural issue" involving CSRs. To correct some of these problems, Jones is boosting its effort to better educate CSRs in selling and retaining pay customers.

Prime Cable in Atlanta showed no pay growth last quarter in its 166,000 sub system, according to William Proud, vice president of marketing. Proud feels the market has burnt out on pay discount promotions. This year Prime didn't run any pay campaigns in May and June where it had done so in the past. "We felt it wasn't working that much in 1988. But what's happening now is I've gotten a case of executive amnesia. Starting in September I'll do a 99 cents first month for HBO."

While many operators are becoming disenchanted with their pay promotions, there are no viable alternatives on the horizon. "The industry has gotten to the point where we put 10,000 pay units on one month and 8,000 are off in the next month," says Proud. "What has happened is that (operators) are not doing as many promotions and they are not seeing any growth. Nobody has come up with 'Plan B.'" Such a "Plan B," Proud and others say, might be through image or "brand awareness" advertising. HBO has been test-marketing this approach recently, as well as some operators, including Warner Cable. But those kinds of efforts are for the long-term.

Some believe that basic price hikes usually implemented in January contributed to the first quarter's lower pay unit equation. Some marketing executives believe that increases in basic prompts customers to drop pay services to keep their total monthly payment fairly constant. Increases in basic averaged anywhere from five to 15 percent in Continental systems this year, and may have contributed to a "flat" pay category for the first quarter, says Livingston.

Jones Intercable took a similar 5-10 percent rate increase for basic at the beginning of the year. But Mathwick says this isn't the reason for the slowdown. "You don't lose 10,000 pay units because of basic increases," he says.

While some operators complain about the pay business, others are all smiles. Jerry Maglio, senior vice president of marketing for United Artists Cable, says his first-quarter numbers are higher due to a substantial amount of pay network and in-house promotion. Likewise, Peter Low, director of programming at Cablevision Systems, says contrary to what he has been hearing from other operators, pay has been growing "strongly" in his systems. But then, Cablevision always has had a

A discounting case study: 'We are already at a plateau'

When Vincent King thinks about pay cable incentives, he thinks about turkeys.

Some years ago while working for Cox Cable, he and other marketing executives came up with a idea of giving away turkeys to subscribers in the fourth quarter, a historically hot time for pay, as a lure to sign up for any pay service. But the relationship of turkey to pay endured only as long as one's appetite, he says. "After the last turkey sandwich is gone, they disconnect," says King, president of ACI Management, a 33,000 MSO with systems in the South and Southwest.

ACI's pay numbers were flat in the first quarter, year-to-year. But in contrast to many MSOs, King says ACI hasn't had any basic price increases in almost two years. Compounding the situation is that King religiously used marketing tools provided by HBO, Showtime and The Disney Channel—i.e. incentives, free-month trials—during this period. He can only reason that the problem is part economic, part geographic: "It's a recession (here). I don't care what Washington is calling it."

It's not as though King isn't doing his job. As pay networks have implored, he pushed for lower retail prices. Four years ago he struck a deal with Showtime so that he could drop ACI's retail price to a very reasonable $5 per month. While this has made Showtime a big winner in penetrating the market—it has achieved an extraordinarily high 34-35 percent penetration rate versus a nationwide average in the high teens—King says Showtime is a "loss leader." And for the first quarter Showtime was flat compared with the same period a year ago. "We are already at a plateau," he says.

As a result, he doesn't believe incentives are the answer. The answer is still the overall pricing package of cable, which in his markets seems to be the $20 level for basic and one pay. "We are becoming more sensitive to rate increases," he concludes.

—Wayne Friedman

different philosophy when it comes to selling cable.

"We've always sold top down," says Low, a strategy which equates to heavy packaging of pay with basic first—not in selling basic with the hope of adding pay units later. And how does Cablevision keep subscribers hooked onto pay? CSRs do their share; constant, aggressive pay promotions and monthly direct mail does the rest. "We have always been enthusiastic with pay marketing. It works," says Low.

Marketing executives have complained that free-month offers only add to the pay networks' historically bad churn problems. Low disagrees. "The net takeout from the aggressive campaign is significantly more than a non-aggressive campaign. If we lose an incremental six percent (though aggressive marketing), we're selling in and holding 30 percent, so you are net 24 percent ahead. And total pay dollars per campaign are considerably higher."

Pay networks concede that price discounting might just be a necessary evil. In recognition of some problems, pay networks, starting last year, cut back on the simple free offers. Instead, many are running half-price deals, such as offering a pay at $4.95 a month for three months. The logic here is that almost anyone will take something for free, but at half-price a typical customer is buying with the perception that pay is of some determined value, enough value to stick around after the offer ends. As always there are exceptions. John Adduci, director of marketing and programming for Adelphia Communications, says that although he gained some 12,000-13,000 subscribers in the first quarter of the year, "the second quarter was disastrous." He adds: "The discount pay programs don't hold the customer."

Network officials see basic price increases, not the discount promotions, as the main cause for current pay headaches—something for which they believe operators themselves should be held accountable. "I think we got hurt by rate increase activity," says Matt Blank, executive vice president of marketing for Showtime Networks. "We may be encountering a little more resistance in the marketplace. But that tells us we need to be marketing hard and fast. Maybe they didn't protect pay pricing coming off of a strong pay television year. My concern is that this doesn't become a self-fulfilling

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prophecy. There is no long-term indication that pay business is off. The verdict is still out."

While the cable consumer jury ponders whether pay will be of increasing value in the future, the internal structure of each network could be eroding. "You can do this only for so long," says Steven Rosenberg, president of Rose Media, a West coast consultant, concerning price discounting. "And then the internal audit person says, 'We are not going to make any money doing this,'" he says, especially against an environment with rising movie license fees and higher sport rights.

"The pay networks have been running a volume game for years," says Rosenberg. "They have been discounting so heavily because the channel space—the real estate—has been worth so much to them. The idea is that later they can upgrade those homes."

> "You can do this only for so long. And then the internal audit person says, 'We are not going to make any money doing this.' "
>
> *— Consultant Steven Rosenberg*

Pay networks are hoping that becomes a reality. Because as more and more basic networks mimic original programming efforts by the pays, consumers tend to see less of a distinction between the two. Pay-per-view is also a factor.

"Basic is getting so strong," says Rod Thole, executive vice president of Heritage Communications. "When the HBOs first came on the scene you didn't have USA Network doing 24 world premiere movies, you didn't have TNT with the MGM library. So the customer says, 'Wait a minute? I can get by with just basic.'

"We are at the point now where pay needs to be repriced at the wholesale and retail level," Thole continues. "The pay category, while certainly not in trouble, is changing. And if PPV comes on strong in the next several years, it'll change more. There is a real question whether all these pay services can survive a few years out." ■

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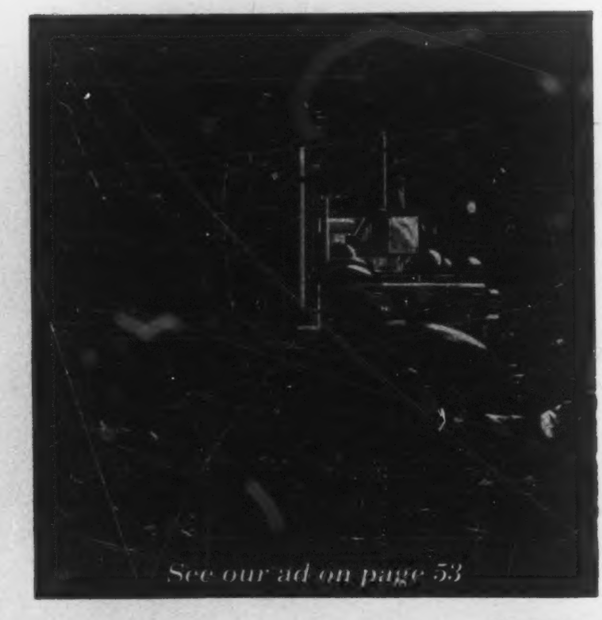
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atlantic cable show

Although it supposedly doesn't exist, cable upfront ad season is doing well

By Wayne Friedman

Top Five Basic Cable Network Net Ad Revenues
(in millions)

	1988	1989	(est) Change
WTBS*	223.0	256.4	15 percent
ESPN	125.0	147.5	18 percent
CNN	111.3	133.6	20 percent
USA	97.2	136.1	40 percent
MTV	78.0	89.0	14 percent

Source: Paul Kagan Associates

** includes local ad sales of WTBS-TV Atlanta*

Some advertising executives say there's no such thing as a cable upfront season—you can buy cable anytime. While that's still mostly true, more agencies and clients are buying cable networks on a year-long or quarterly schedule.

During this summer period, cable networks are reporting anywhere from 25-50 percent of their inventory is being booked as the result of this strategy. This trend for establishing a cable upfront selling season actually began two years ago. This year, Robert Alter, president and chief executive officer of the Cabletelevision Advertising Bureau, says the cable upfront could be the largest ever—pulling down $400 million versus $200 million a year ago. Alter estimates that the cable networks could bring in $1.5 billion overall for 1989.

For some networks, cable's upfront activity started in June and could last through September. Some networks anticipate more business being written now because the broadcast network's primetime upfront season is over. Advertisers make "upfront" deals to secure better prices for programming throughout the broadcast or cable season.

Doug McCormick, senior vice president of advertising sales for Lifetime, estimates that by the time this upfront season is over, 50 percent of Lifetime's inventory will be sold for the 1989-90 season. McCormick says so far business is running 40 percent over last year's upfront activity, which began in July and will close out by the end of September. One of the new twists this season, says McCormick, is a new perception of the network by packaged product advertisers: "It used to be two must-buys, USA Network and WTBS. I would say now there are three must-buys—Lifetime, USA and WTBS," says McCormick. Packaged product companies usually dominate the upfront television selling season—in Lifetime's case for its heavy women's viewership.

Dick Hammer, vice president of advertising sales for The Family Channel, says he has been closing upfront deals since June, when cable kids programs were moving. Hammer says in contrast to a weak upfront season for the network last year, The Family Channel plans to book up to 40 percent of its business during this upfront season. Last year the network's net ad revenue (after agency commissions) totalled $46.8 million. Right now, Hammer says, the network is up 22 percent over last year. "We got caught last year—not being in the upfront. We were late getting our programming done," he says. He's hoping to pull down $70 million for the entire year.

Over at A&E Network, Larry Divney, vice president of advertising sales, expects to do 25 percent of A&E's total advertising business in the upfront versus 10 percent a year ago. According to some estimates, that would amount to $7 million to $8 million in sales. A&E could total $30 million overall for 1989, some $8 million more than last year.

One of the major moves of this season is that the big Leo Burnett agency in Chicago plans to spend more on cable. The Family Channel's Hammer reports that it wants to do an "agency" deal where it buys spots in big quantities across a number of networks. One Burnett executive wouldn't comment but did say that because some networks for some dayparts have been sold out in the first, second and third quarters, the impetus now exists to buy cable early.

Agency deals are done to secure a lower cost per thousands (CPMs). "It's an advantage that we can get major dollars for the year (from agencies)," says Hammer. However, he will not sell the agency the network's original programming. ■

CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
[illegible]	382	7,000,000
[illegible]	300	4,500,000
Arts & Entertainment Network (A&E)	7,300	49,000,000
Black Entertainment Television	2,800	22,228,000
CNBC	700	13,000,000
Cable News Network	11,802	50,293,000
Cable Value Network	1,800	23,300,000
C-SPAN	3,267	44,600,000
C-SPAN II	642	17,600,000
Country Music Television	1,092	9,124,974
The Discovery Channel	7,324	42,300,000
[illegible]	300	3,000,000
ESPN	20,800*	51,100,000
Eternal Word Television Network	490	10,800,000
The Family Channel	8,303	44,802,000
[illegible]	340	4,300,000
[illegible]	34	3,500,000
[illegible]	600	10,100,000
Financial News Network	3,800	33,412,000
[illegible]	1,840	19,800,000
Headline News	5,410	35,274,000
Home Shopping Network	1,479	16,503,720
Home Shopping Network II	572	6,618,609
The Inspirational Network	920	9,500,000
[illegible]	25	7,868,900
J.C. Penney TV Shopping Channel	115	5,100,000
KTVT	417	3,600,000
The Learning Channel	1,100	16,600,000
Lifetime	3,800	42,757,000
Mind Extension University	150	4,000,000
MTV	5,405	46,070,000
Movietime	447	13,000,000
The Nashville Network	7,741	44,835,000
[illegible]	147	5,800,000
Nick at Nite	3,440	33,600,000
Nickelodeon	6,600	45,500,000
[illegible]	587	5,700,000
[illegible]	400	12,000,000
QVC Network	1,000	14,100,000
[illegible]	30	2,182,100
[illegible]	160	13,600,000
SportsChannel America**	N/A	1,500,000
Superstation TBS	9,426	49,100,000
Telemundo***	9	100,000
TNT	3,748	39,351,000
[illegible]	400	11,000,000
Trinity Broadcasting Network	725	9,100,000
Univision***	500	509,500
USA Network	10,100	47,796,000
VH-1	2,530	32,139,000
[illegible]	315	6,200,000
The Weather Channel	3,630	38,500,000
WGN TV	11,415	24,900,000
WWOR TV	2,600	12,500,000
WPIX TV	858	9,678,474

Bonus basic services	Affiliates	Subscribers
American Movie Classics	1,700	20,000,000
Bravo	375	2,500,000

Pay services	Affiliates	Subscribers
[illegible]	135	27,000
Cinemax	3,030	6,600,000
The Disney Channel	5,500	4,337,300
Home Box Office	7,400	17,000,000
The Movie Channel	3,250	2,700,000
[illegible]	420	470,000
Showtime	3,000	6,600,000

Audio services	Affiliates	Subscribers
[illegible]	142	2,578,838
[illegible]	26	854,390
Cable Radio Network	99	2,500,000
[illegible]	102	3,000,000
[illegible]	18	133,639
[illegible]	63	1,058,368
[illegible]	237	483,000
Tempo Sound	125	1,250,000
WFMT Fine Arts	170	1,259,804

Text services	Affiliates	Subscribers
[illegible]	185	2,500,000
[illegible]	54	1,400,000
[illegible]	73	2,100,000
[illegible]	41	875,000
[illegible]	290	6,800,000
[illegible]	330	300,000
[illegible]	59	1,550,000
[illegible]	127	2,437,000

Computer services		
DBC MarketWatch	462	9,200,000
X*Press Executive	487	14,000
X*Press X*Change	487	14,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Consumer Classified Ad Network	3	195,000
Fun Network	3	12,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Pay services		
Nippon Golden Network		13,600

Interactive services

Basic services	Affiliates	Subscribers
Video Jukebox Network	15	848,000

Regional services

Basic services	Affiliates	Subscribers
Arizona Sports Programming Network	N/A	210,000
Atlanta Interfaith	7	180,000
Bay Area Religious Channel	6	113,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,200,000
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,400,000
Meadows Racing Network	14	600,000
News/12 Long Island	4	594,000
Niagara Frontier Sports Network	13	800,000
Northwest Cable Sports Network	3	700,000
Pennarama	28	750,000
Prime Cable	9	381,938
Prime Sports Network	11	300,000
Prime Ticket	115	3,500,000
SportsChannel (Chicago)	50	1,507,270
SportsChannel (Ohio)	2	280,000
Sunshine Network	200	2,310,000

Pay services		
Home Sports Entertainment	250	1,000,000
Home Team Sports	125	1,200,000
New England Sports Network	171	317,201
Prism	87	427,000
Pro/Am Sports	173	523,000
SportsChannel (Florida)	22	650,000
SportsChannel (New England)	154	1,028,431
SportsChannel (New York)	100	1,300,000
Z Channel	73	110,010

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 345 Park Avenue South, 9th Floor, New York, NY 10010.

N/A denotes information not available.

***Includes MMDS and SMATV systems**

****Count represents standalone affiliates/subscribers; portions of SC America are carried on Home Team Sports and the SportsChannel family of regional services.**

*****Spanish-speaking households.**

Announced services

Satellite-fed services	Expected launch
American Woman's Network	4th Quarter 1989
The Asia Network	8/89
Career Channel Network	10/89
CD/8: The Digital Music Network	4th Quarter 1989
The Computer Channel	9/89
Digital Cable Radio	4th Quarter 1989
Digital Radio Channel	4th Quarter 1989
The Gaming Network	3rd Quarter 1989
The Global Channel	1st Quarter 1990
HA! TV Comedy Network (HTV)	1st Quarter 1990
HBO Comedy Channel	4th Quarter 1989
Interactive Game Network	3rd Quarter 1989
Kids Information Network	3rd Quarter 1989
The Landscape Channel	3rd Quarter 1989
Mainstream Entertainment Network	9/89
[illegible] Sports Scene Network	4th Quarter 1989
Music Image Channel	11/89
QVC Network II	2/90
The Sci-Fi Channel	4th Quarter 1990
Spanish TV News Network	4th Quarter 1990
Talk Television	4th Quarter 1989
[illegible]	8/89

Non satellite-fed services	Expected launch
ACTV	3rd Quarter 1989
[illegible]	3rd Quarter 1989
On Demand CATV TV Network	4th Quarter 1989

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INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

AUGUST 14, 1989

WHY BASIC NETS ARE BUYING HOURS

WILL SIKES CHANGE FCC'S CABLE VIEW?

NBC ADOPTS A GLOBAL AGENDA

TEXAS UTILITY HIKES POLE RATES FOR FIBER

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CTAM Chairman David Van Valkenburg, Vice Chairman John Reardon and President Margaret Durborow

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INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT AUGUST 14, 1989

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On how much pay subs are willing to spend:

Durborow: I think that we as an industry are beginning to get very price value conscious. I know for a fact a lot of MSOs are really evaluating their pricing structures on pay. It used to be that pay was a product that people couldn't get anywhere else, it's the first time that they got movies into the home. Well, we all know that the product on pay today is available at video stores, it's available on pay-per-view, and it is no longer perceived as valuable in many homes. In homes that don't have VCRs, it is still as valuable as it ever was. And so, a lot of MSOs are looking to see what is the price/value ratio. Maybe $12.95 is too much for a pay service, maybe it should be priced differently. That kind of flexibility is smart. It is not unique to our industry, but every other major marketing-focused industry. Look at the price of televisions when they first came out—$500, $600, $700. Look what you can buy a color TV set for today. The price/value changed. We are constantly in transition. No, I don't think pay has matured, everybody is saying pay has matured, I'm not sure it has. Maybe it's matured in its present life, its present configuration.

On the possibility of repackaging or retiering:

Reardon: Well, clearly it's an experiment. We don't think that would be the outcome. We think the majority of the homes are

◆Can a rising tide in affiliate fees lift all cable boats?

By Wayne Friedman and Robert O'Brien

Conceding that rising programming costs have resulted in improved programming, cable operators now believe that the prices they pay programming services have hit their peak, and are asking programmers to curb future increases in their license fees.

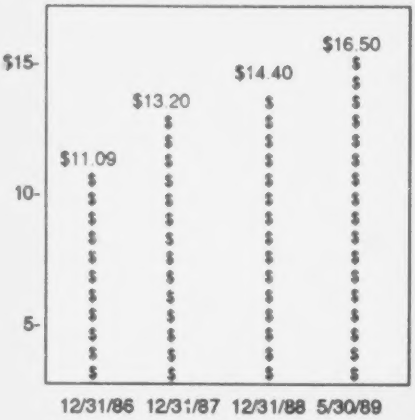
"License fees paid to programmers are by far the largest sector of subscriber-related costs," says John Mathwick, group vice president of marketing at Jones Intercable. "It's now our highest cost item."

Prices for programming have escalated since the advent of deregulation eased constraints on the way operators package basic service, and how much they could charge subscribers for those packages. The owners of programming services subsequently raised the prices they charge operators, increases that, in part, erased the artificial pricing levels in force since the beginnings of the industry, while also fueling programmers' ambitious agenda of boosting the quality and quantity of their fare.

Overall, basic cable networks took in $1.4 billion in 1988, an increase of $250 million over the previous year, and almost double the 1985 total, according to results tallied by Veronis, Suhler & Associates, an investment banking firm that publishes annual surveys of media economics. Of that figure, two thirds—$910 million—came from advertising sales. The rest—$480 million—came from the fees programmers charge cable operators. By contrast, operators paid programmers $365 million in 1987, and $235 million—less than half the 1988 total—in 1986.

Because programmers negotiate contracts with individual cable operators, MSOs' increases have varied. Mathwick at Jones said the fees his company paid its 22 "core" programming services increased 65 percent on a per-subscriber basis in 1988, a figure that reflects both increases in the number of services offered and also the prices charged by each of those services.

AVERAGE BASIC RETAIL PRICE



Source: Paul Kagan Assoc./other sources

Michael Egan, vice president of programming at Cablevision Industries, reports that the MSO's costs for programming, on a per-subscriber basis, have risen 100 percent in the last two years, and that the company is now paying 250 percent more for basic programming than it did in 1986.

John Malone, president and chief executive officer of Tele-Communications Inc., told a gathering of media executives earlier this year that TCI's costs for basic programming have risen over 400 percent since 1985, increases attributed in part to additions in the number of services and the number of subscribers.

Operators said they have tolerated the escalation of programming prices in recent years, because of their sensitivity to programmers' desires to ameliorate the effects of artificial price caps in the years before deregulation, and as a means of fostering programmers' determination to improve the quality of programming. Improved programming, they noted, helped drive marketing pushes that bolstered penetration and focused consumer awareness on the variety and quality of cable-only programming.

"There was a feeling that some programmers needed a shot in the arm in the mid-'80s," says Brian Roberts, executive vice president of Comcast Corp.

"In all honesty, we're not complaining about previous increases," says Cable-

TOP AFFILIATE PER-SUB FEES
(Listed in cents/Selected cable networks)

	1988	1989	1990
*ESPN	28	28	28
CNN	28	30	30
MTV	22	22	22
TNN	15	15	20
USA	13	18	23
Lifetime	10	11	12
Discovery	5	6	7
BET	3	5	6
TNT	0	15	20

Sources: Paul Kagan Associates and others
*ESPN fee does not include NFL football surcharge

vision's Egan, a statement that is echoed by a number of executives from other companies, who concede that current slates of programming reflect the improvements operators underwrote.

"I mean, there were several factors contributing to the price increases in recent years," says Rob Stengel, senior vice president of programming at Continental Cablevision. "Not the least of which was that cable operators were willing to allocate more money for better programming."

During the period of most rapid price appreciation, most operators simply passed costs on to subscribers. While there was little upheaval at the time, recent marketing initiatives have recognized a higher degree of price sensitivity on the part of cable subscribers.

In addition, operators said, the cumulative effects of rate increases have exacerbated tensions between the industry and legislators, leaving operators, who are determined to avoid circumstances that would fuel competitors' calls for reregulation, disinclined to pass through additional cost increases.

"It's not pleasant to have to raise prices above the level of the consumer price index," says Jones' Mathwick.

"It's bad business for programmers to keep raising rates," says Marc Nathanson, president of Falcon Cable. "It's a suicidal course."

But if program costs are headed north, no one should be surprised, most programmers say.

Growth in programmer revenues have come from three areas: From new services such as The Discovery Channel, TNT, CNBC and American Movie Classics; from rate increases by existing channels; and from MSOs' own expansion—more subscribers mean more gross affiliate fee costs.

While not disputing the other two reasons for increased programming expenses, many programmers say existing rate increases aren't out of line with what new programming has added in creating value to the viewer. "Operators complain a good bit about that. However, we need to take a price increase every year just like cable operators take a price increase every year," says Sandy McGovern, senior vice president of affiliate sales and relations for The Discovery Channel. In addition, McGovern thinks that at a current top rate card of 6 cents a subscriber, The Discovery Channel is a good buy, compared with other, more mature networks.

She is not alone in that claim. "USA Network is the most unvalued network," says Douglas Holloway, the network's vice president of affiliate relations. He says the evidence has been clear since 1983. "We have been responsible for 34 percent of basic cable's growth in ratings (in cable homes)," he says.

Program network executives, in fighting off operators complaints about higher programming costs, say one needs to keep a broader picture of the entire cable revenue environment in mind. "It's true that basic programming costs have increased more than $1, but (some) operators have increased basic $6 to $7 a month," says Roger Williams, vice president of affiliate relations for ESPN. "That's not a bad return."

Since basic programming shares of audience have grown steadily over the last few years—now totalling 15 percent of total U.S. television viewing— ESPN's Williams believes the cost justifies the value. "(Increased basic cable viewing) means subscribers paying those monthly bills are watching these basic channels. That reemphasizes that it's programming driving penetration and helping support retail pricing."

But operators also challenge programmers on rate increases that coincide with

going to take the full complement of services because, as Margaret pointed out, the value of basic cable has been demonstrated better than ever before. Many of the cable operators have changed their market behavior to focus on selling basic cable into the home as the bread and butter. Those services have gotten better because they've invested so much more in the programming, put their quality on the screen. The demand is there. I think one of the things that the Family Decision-Making Survey is going to point out is that there are many different influences in a home that dictate the way cable is purchased, whether it's the kids who want Nickelodeon because all the kids in their school have Nickelodeon, or the teens and young adults who want MTV, or somebody who wants a pay service or The Discovery Channel, or the working woman in the home who wants Lifetime. Because of all these separate demands, it seems to me that the entire package of basic cable services is going to prevail. I don't see a backwards shift towards tiering in packages. I think the only logic for tiering to begin with, as we all know, was the requirement to get around local regulation, and I don't believe we're going to revisit pre-1984.

Van Valkenburg: Two comments. No. 1 is the importance of product knowledge and training for our customer service and sales representatives, installers and technicians. It must be there at the point of acquisition, when you do a direct-mail campaign, and especially when people call in. It requires detailed product knowledge, and therefore product training for that CSR to 1) be sure they understand what product they're buying, but 2) to sell an HBO or a Showtime or a Disney, or other services, such as additional outlets and impulse pay-per-view. It takes that kind of training, and that's very, very important as far as increasing the revenue we get per customer, and also our pay-to-basic ratio. So that's a very, very important factor. The other point I'd like to make as far as tiers are concerned is I do see, in some markets, the need for a broadcast tier at a lower price in order to: 1) increase saturation, but 2) to react to some of our political and government relation issues. I've seen requests for a lower-priced broadcast tier during franchise renewals. I don't see the major bulk of my customers taking it, because we've got such a fantastic cable product. But I do see that, in some markets, a request and a need.

On leaving Paragon for Cablevision Industries and the companies' different marketing philosophies:

Van Valkenburg: Philosophically, the major difference is that Paragon is very decentralized. Historically, Cablevision Industries has been very

increases in penetration and distribution. "The gross dollars received by programmers are going up," said Comcast's Roberts, who points out that programmers' costs are basically fixed. New subscribers, which operators credit in part to improvements in their own marketing efforts, should play a larger role in satisfying programmers' desires for increased revenue, while constraining increases on a per-subscriber basis, Roberts suggested.

Some programmers say rate increases by themselves do not raise the ire of operators. "The biggest problem an operator has is not a rate increase, but the unpredictability of it," says Lloyd Werner, senior vice president of sales and marketing for Group W Satellite Communications, which markets and sells The Nashville Network, Home Team Sports and Request Television.

This isn't true for The Nashville Network, however. Werner says operators know exactly what they'll pay throughout the length of their contracts. With its new five-year contracts, for instance, TNN affiliate fees run 15 cents in 1990, 15 cents in '91, 20 cents in '92, 20 cents in '93, 25 cents in '94, and 25 cents in '95.

"We have never gone back to anybody (and renegotiated)," says Werner. "We are able to control our costs to such an extent that we can tell you how much it'll cost to run TNN in the year 2000." TNN is, indeed, in a different mode. It doesn't buy from Hollywood and artists appearing on TNN work for scale wages.

And TNN isn't alone in that regard. A&E spells out exact increases in its existing contracts as well. But there are those that don't. Other networks can't predict what their exact revenue needs will be in the out years, considering the unpredictable nature of programming costs, sports rights fees and other expenses. ESPN and USA Network's are just two networks that don't spell out exact rate increases. The language in their contracts states that the network reserves the right to raise affiliate fees during the course of the contract.

In 1989, USA Network's affiliate fees jumped from 13 cents to 18 cents per subscriber. For that reason and his stated dislike of the programming was why Glenn Jones, the head of Jones Intercable, tossed USA off the MSO's systems. But no other MSOs followed. Why? Many consider Jones a renegade and believe his action was meant to demonstrate his programming philosophy.

Future negotiations with operators could get tougher, however.

"We, as cable operators, have to be prepared to dislocate services that make unreasonable increases," says Continental's Stengel. "Fundamentally, nobody wants to take services off their system," he adds, but notes that, with increasing demand for channel capacity coming from new services, operators have been more scrupulous in analyzing the benefits of each service that's carried.

Still, operators recognize that dropping an established service is disruptive, to their own systems, to programmers, and—most visably—to subscribers. When Cablevision Systems Corp. blacked out New York Yankees baseball games, the move prompted state legislation that would penalize operators that remove programming, and it gave the company—and the industry—a public relations black eye that is likely to handicap the company's ability to market cable services.

Operators say programmers recognize the limited flexibility they have in pulling an established service from the lineup. "Programming services operate from a position of significant strength," Stengel observes.

The problems, some operators note, can be more acute with established services that subscribers perceive to be the core elements of basic programming: news, music and sports services that draw the widest audiences. "Some of them, once they've become successful, tend to forget their friends," said Falcon's Nathanson.

MSOs heads complain about what they perceive as healthy profits of the networks and, with their enormous leverage, may try to take advantage of these gains. "If we don't see license fees rolled back as these networks become successful, then we are going to see some sort of profit sharing plan with ad sales," predicts Larry Gerbrandt, senior analyst for Paul Kagan Associates. "Cable keeps looking back at the way broadcast networks do business with their affiliates." He adds that broadcast network compensation for network affiliates is just another name for ad sales rebates. To help pave their way to launch, newer services such as The Discovery Channel, Movietime and CNBC all offered advertising rebates.

Most networks, particularly established services, bristle at any suggestion of ad rebates. "If they give me a percentage of basic sub fees, I'll give them a percentage of ad sales," is the sentiment expressed by two network executives. Others are more sanguine. "We have no plans to do that," says Dan Davids, vice president of affiliate relations for A&E Network. Likewise, USA's Holloway says "No. Definitely not. The only way we can continue to deliver the quality and volume of quality is to have full control over our two revenue streams."

If concessions in future contract deals with MSOs don't come from ad sales rebates, it could in the form of more avails. Older, established networks, such as Lifetime and USA Network, offer two minutes of local avails. But newer networks, in an attempt to gain shelf space, all lure operators with three minutes of local avails, with TNT topping the list by giving away four minutes locally. Still, network executives don't think they'll have to bargain away more avails in future affiliate deals.

"The point is they aren't maximizing the minutes that they have," says USA's Holloway. "There is no real value in having that extra minute. In most cases, they are not selling out that extra minute." A&E's Davids agrees. But to help operators sell A&E effectively the network hired a local ad sales executive. One negotiating ploy on the side of networks is that they are moving away from volume discounts. USA has been slowly converting all its contracts to eliminate volume discounts with MSOs such as Continental, Telecable, Times Mirror and Warner Cable. Others also are considering such measures.

Operators said they recognize the same trend. "It's the natural order of things," notes Comcast's Roberts. "When the industry was more entrepreneurial, rates were all over the place." With the industry's maturation, rates have stabilized, and MSOs expect to be held to established rate cards, executives said.

There is no doubt that programming costs are climbing. "As long as you are getting sub fees, the advertisers are willing to pay their fair share," says Group W's Werner. "The greatest fear programmers have is cable operators saying I'm not going to pay anymore."

Operators are fearful themselves. "They are trying to maintain their margins," says Seymour Kaplan, senior vice president of affiliate relations for Lifetime. "It's really a recognition that we have prospered. If we curtail programming costs, we will lose our viewership, and go back to the early days of cable." ■

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The CABLE POLL

TM Midwest CATV & CableVision Magazine

Classic systems focus on pay-to-basic

A wide disparity in marketing strategies exists between larger but less penetrated systems—which principally are focused on pushing basic—and the smaller but highly-penetrated classic systems, which are geared toward squeezing growth from regaining former subs and raising their pay-to-basic ratios, an analysis of Cable Poll™ data indicates.

This clear distinction shows up in the relative importance that Cable Poll™ respondents attach to the broad marketing categories of regaining former subscribers, obtaining new subs and upgrading current customers. At systems with more than 50,000 subs—which experts say contain a high number of newer, urban franchises—managers attach more than twice as much importance, by 59 percent to 25 percent, to increasing penetration by obtaining new subs than to raising pay-to-basic.

A far different marketing focus has been adopted by systems with less than 10,000 subs, a category that experts say contain many older, highly-penetrated systems. While gaining new subs remains an important marketing function at such classic systems, raising pay-to-basic is a nearly equal marketing focus.

Number

10

in a series

of ten

This divergence of strategies is further illustrated by the methods the larger and smaller systems principally employ to obtain their marketing goals. The highly-penetrated smaller systems are less reliant on direct mail than their big-city counterparts, by 25 percent to 38 percent, respectively.

"This data tracks exactly with our experience in the marketing objectives of highly-penetrated, more mature systems and the newer, urban systems," said CTAM President Margaret Durborow. "In an urban environment, the mandate is to raise penetration, and that drives their marketing. Your higher penetration systems tend to have low pay-to-basic, and that drives their marketing, because that's (pays) all they have to sell."

The Cable Poll™ is a sampling of industry opinion conducted on a regular basis by Ryan/Samples Research Inc for Midwest CATV and *CableVision* magazine. Telephone interviews for this edition of the poll were conducted March 13-23; a total of 400 interviews were completed using a listing of system management personnel obtained from CableFile Research. Cable Poll™ researchers are 95 percent confident that the results are accurate within plus or minus 4.9 percentage points. ■

What is the primary focus of your marketing efforts?

	Overall-All Systems	Less Than 10K Subs	More Than 50K Subs
Regaining Former Subs	10%	8%	16%
Obtaining New Subs	49%	48%	59%
Upgrading Current Subs	35%	36%	25%

What method do you most often rely on to achieve your marketing goals?

	Overall-All Systems	Less Than 10K Subs	More Than 50K Subs
Direct Mail	28%	25%	38%
Local Newspapers	19%	20%	9%
Door-To-Door	13%	13%	13%
Telemarketing	8%	10%	6%
Your Own System	12%	12%	6%

What method is your second choice?

	Overall-All Systems	Less Than 10K Subs	More Than 50K Subs
Direct Mail	20%	20%	16%
Local Newspapers	30%	30%	28%
Radio	13%	13%	6%
TV	3%	1%	16%
Door-To-Door	11%	10%	6%
Telemarketing	8%	7%	9%
Your Own System	9%	8%	16%

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	6,228,526	(6/89)
2.	American Television & Communications Corp.	4,100,000	(4/89)
3.	UA Entertainment	2,642,729	(6/89)
4.	Continental Cablevision	2,404,000	(5/89)
5.	Warner Cable Communications	1,596,000	(6/89)
6.	Storer Cable Communications	1,530,700	(1/89)
7.	Cox Cable Communications	1,501,500	(4/89)
8.	Comcast	1,463,000	(5/89)
9.	Cablevision Systems	1,374,736	(7/89)
10.	Jones Intercable/Spacelink	1,188,298	(5/89)
11.	Newhouse Broadcasting	1,147,000	(5/89)
12.	Heritage Communications	1,100,000	(4/89)
13.	Times Mirror Cable TV	997,156	(1/89)
(15) 14.	Cablevision Industries	962,650	(8/89)
(14) 15.	Viacom Cable	955,000	(4/89)
16.	Sammons Communications	853,900	(4/89)
17.	Century Communications	800,000	(4/89)
18.	Cooke Cablevision	730,800	(5/89)
19.	Adelphia Communications	721,700	(5/89)
20.	Paragon Communications	703,000	(1/89)
21.	Falcon Cable TV	632,500	(3/89)
22.	Centel Cable	598,546	(5/89)
23.	Telecable	580,000	(5/89)
(25) 24.	WestMarc Communications	569,913	(6/89)
(24) 25.	KBLCOM	558,100	(4/89)
26.	Scripps-Howard	531,000	(3/89)
27.	Multivision Cable TV	482,000	(4/89)
(29) 28.	Prime Cable	458,000	(6/89)
(30) 29.	Post-Newsweek Cable	403,000	(4/89)
(28) 30.	Tele-Media	381,951	(6/89)
31.	Lenfest Group	365,915	(5/89)
32.	Maclean Hunter Cable TV	357,500	(5/89)
33.	TCA Group	349,300	(4/89)
34.	Rifkin & Associates	324,000	(4/89)
35.	Multimedia Cablevision	321,300	(4/89)
36.	Colony Communications	312,900	(4/89)
37.	TKR Cable	278,482	(5/89)
38.	Triax Communications	277,500	(6/89)
39.	Western Communications	266,700	(4/89)
40.	Cencom Cable	258,980	(7/89)
41.	Star Cablevision Group	254,000	(1/89)
(43) 42.	Hauser Communications	247,000	(7/89)
(42) 43.	Simmons Communications	246,690	(1/89)
(45) 44.	Service Electric Cable TV Inc.	211,500	(4/89)
(46) 45.	Greater Media	188,700	(3/89)
(47) 46.	Harron Communications	177,700	(3/89)
(50) 47.	Media General	176,068	(6/89)
48.	Sutton Capital	174,060	(6/89)
49.	Columbia International	174,000	(4/89)
(51) 50.	Palmer Communications	160,551	(5/89)
(52) 51.	Insight Communications	157,700	(4/89)
(53) 52.	U.S. Cable Corp	154,300	(3/89)
(54) 53.	Armstrong Utilities	151,800	(3/89)
(55) 54.	King Videocable	141,158	(1/89)
(56) 55.	Northland Communications	137,148	(4/89)
(57) 56.	Summit Communications	136,600	(3/89)
(58) 57.	Bresnan Communications	127,351	(1/89)
(59) 58.	Booth Communications	119,000	(1/89)
(60) 59.	Sonic Communications	117,551	(5/89)
(61) 60.	McDonald Group	115,200	(4/89)
(62) 61.	Susquehanna Broadcasting	113,200	(2/89)
(63) 62.	United Video Management	106,000	(3/89)
(64) 63.	Pencor Services	100,400	(2/89)
(65) 64.	First Carolina Communications	99,500	(3/89)
(66) 65.	Midcontinent Cable Systems Co.	95,550	(6/89)
(67) 66.	WEHCO Video	93,900	(4/89)
(69) 67.	Gilbert Media	85,000	(6/89)
(70) 68.	Coaxial Communications	80,000	(5/89)
(71) 69.	Selkirk Communications	77,500	(3/89)
(72) 70.	James Cable Partners	70,000	(4/89)
(73) 71.	Douglas Communications	64,100	(3/89)
(74) 72.	Barden Cablevision	62,700	(3/89)
(75) 73.	Cardinal Comunications	60,500	(6/89)
(68) 74.	Omega Communications	60,000	(8/89)
(87) 75.	Helicon Corp.	59,000	(8/89)
76.	C-TEC Cable Systems	58,600	(5/89)
77.	Hearst Communications Of California	58,200	(5/89)
78.	Fanch Communications	58,000	(6/89)
79.	Prestige Cable TV Inc.	57,500	(3/89)
80.	Telesat Cablevision Inc.	57,235	(6/89)
81.	State Cable TV	54,700	(5/89)
(86) 82.	Leonard Communications	53,000	(8/89)
(84) 83.	Bachow & Elkin Communications	51,700	(1/89)
(85) 84.	Galaxy Cablevision	51,700	(3/89)
(82) 85.	Joseph Gans Cable TV	50,000	(8/89)
(88) 86.	New England Cablevision	49,000	(4/89)
(89) 87.	Republic Communications Corp.	48,000	(5/89)
(90) 88.	Rock Associates	47,500	(3/89)
(91) 89.	Donrey Media Group	47,500	(3/89)
(92) 90.	360 Corp.	45,000	(5/89)
(93) 91.	CableSouth Inc.	42,100	(2/89)
(94) 92.	CableAmerica	42,000	(2/89)
(new) 93.	Masada Corp.	42,000	(8/89)
(98) 94.	Star Cable Associates	42,000	(8/89)
95.	Eastern Connecticut Cable TV	41,820	(6/89)
96.	Cable Holdings Inc.	41,800	(3/89)
(new) 97.	C4 Media	41,275	(7/89)
(97) 98.	Acton Corp.	40,400	(3/89)
99.	Fairbanks Communications	36,400	(3/89)
100.	ParCable	36,142	(5/89)

( ) Rank last listing

Subscriber counts are provided by MSOs and systems to Cable Vision. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 345 Park Avenue So., 9th Floor, New York, NY 10010.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Long Island, NY	Cablevision Systems	472,849	(7/89)
2.	San Diego, CA	Cox Cable	301,763	(4/89)
3.	Orlando/Melbourne, FL	ATC	298,000	(2/89)
4.	San Antonio, TX	KBLCOM	234,835	(6/89)
5.	Manhattan, NY	ATC	231,864	(6/89)
6.	Puget Sound, WA	Viacom	225,800	(6/89)
7.	Phoenix, AZ	Times Mirror	220,968	(5/89)
8.	East Orange, NJ	Maclean Hunter	212,000	(6/89)
9.	Houston, TX	Warner	207,000	(6/89)
10.	Honolulu, HI	ATC	202,000	(1/89)
11.	Dover/Morristown, NJ	Sammons	178,336	(6/89)
12.	Chicago (suburbs), IL	Continental	177,208	(2/89)
13.	Cleveland, OH	Cablevision Systems	175,848	(7/89)
14.	Wayne, NJ	UA Entertainment	174,173	(5/89)
15.	Cincinnati, OH	Warner	167,000	(6/89)
16.	Rochester, NY	ATC	167,000	(4/89)
17.	Atlanta, GA	Prime Cable	166,329	(5/89)
18.	Fairfax, VA	Media General	164,519	(6/89)
19.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(1/89)
20.	Hampton Roads, VA	Cox Cable	162,964	(3/89)
21.	Cherry Hill, NJ	NYT	162,000	(1/89)
22.	Connecticut Complex	Cablevision Systems	156,468	(7/89)
23.	Jacksonville, FL	Continental Cablevision	154,600	(5/89)
24.	Hartford/Plainville/Vernon, CT	UA Entertainment	152,683	(6/89)
25.	Chicago, IL	TCI	148,857	(4/89)
26.	Memphis/W. Memphis, TN	ATC	148,000	(1/89)
27.	Kansas City, MO	ATC	147,000	(2/89)
28.	San Jose/Campbell, CA	Heritage	145,000	(6/89)
29.	Baltimore County, MD	Comcast	144,000	(6/89)
30.	Manhattan, NY	Paragon	143,500	(6/89)
31.	Tulsa, OK	UA Entertainment	140,015	(6/89)
32.	Buffalo, NY	Adelphia Comm.	139,515	(8/89)
33.	Denver (suburbs), CO	UA Entertainment	139,303	(6/89)
34.	Charlotte, NC	ATC	139,000	(1/89)
35.	Pompano, FL	Continental	136,793	(2/89)
36.	St. Louis, MO	Cencom	135,039	(6/89)
37.	San Francisco, CA	Viacom	134,000	(6/89)
38.	Brooklyn/Queens, NY	Warner	132,500	(6/89)
39.	San Diego, CA	ATC	132,000	(1/89)
40.	Martin/Stuart Co, FL	Centel	129,460	(3/89)
41.	Seattle, WA	TCI	120,518	(1/89)
42.	Austin, TX	ATC	120,000	(1/89)
43.	Warren, NJ	TKR	118,987	(7/89)
44.	Pinellas County, FL	Newhouse	114,000	(6/89)
45.	Wilmington, DE	Heritage	112,000	(6/89)
46.	Tacoma, WA	Viacom	112,000	(6/89)
47.	Grand Rapids, MI	UA Entertainment	111,198	(6/89)
48.	San Diego County, CA	Times Mirror	111,029	(5/89)
49.	Toledo, OH	Blade Communications	110,785	(5/89)
50.	Southeast Michigan	Comcast	110,000	(6/89)
51.	Chicago Suburbs, IL	Centel	109,576	(5/89)
52.	Las Vegas, NV	Prime Cable	107,288	(5/89)
53.	Dallas, TX	Heritage	107,244	(6/89)
54.	San Juan, PR	Multivision Cable	106,046	(6/89)
55.	Jefferson Parish/Kenner, LA	Cox Cable	105,811	(3/89)
56.	Indianapolis, IN	Comcast	104,000	(6/89)
57.	Raleigh/Durham, NC	ATC	104,000	(1/89)
58.	Boston/Brookline, MA	Cablevision Systems	102,274	(6/89)
59.	Orange County, CA	Times Mirror	101,922	(5/89)
60.	Nashville, TN	Viacom	101,500	(6/89)
61.	Hillsborough/Tampa, FL	Paragon	100,281	(2/89)
62.	Chicago, IL	Group W	98,700	(5/89)
63.	Richmond, VA	Continental	97,935	(1/89)
64.	Jackson, MS	ATC	97,000	(1/89)
65.	Pittsburgh, PA	TCI	96,712	(1/89)
66.	St. Petersburg, FL	Paragon	95,412	(2/89)
67.	Monmouth, NJ	Sutton Capital	94,970	(6/89)
68.	Naples, FL	Palmer	94,450	(6/89)
69.	Reading, PA	ATC	94,000	(1/89)
70.	Worcester Complex, MA	Greater Media	92,148	(1/89)
71.	Milwaakee, WI	Warner	92,000	(6/89)
72.	Portland, OR	KBLCOM	91,500	(8/89)
73.	Greensboro, NC	ATC	91,000	(1/89)
74.	Dade/Broward Counts, FL	Storer	90,000	(8/89)
75.	Indepeindence,MO	Jones	88,628	(8/89)
76.	Wichita, KS	Multimedia	87,351	(1/89)
77.	Tucson, AZ	Cooke	86,976	(8/89)
78.	Harrisburg, PA	Sammons	85,200	(8/89)
79.	Columbus, OH	Warner	85,000	(6/89)
80.	Baton Rouge, LA	UA Entertainment	84,976	(6/89)
81.	Fresno, CA	Continental	84,217	(6/89)
82.	Akron, OH	Warner	84,000	(6/89)
83.	Albuquerque, NM	Jones Intercable	83,119	(5/89)
84.	Fayetteville, NC	ATC	83,000	(1/89)
85.	South Bend, IN	Heritage	82,744	(6/89)
86.	Houston Suburbs, TX	Prime Cable	82,000	(6/89)
87.	Medford Complex Boston Suburbs, MA	Warner	82,000	(6/89)
88.	Orange County, CA	KBLCOM	81,604	(1/89)
89.	Oakland County, MI	UA Entertainment	80,564	(8/89)
90.	Indianapolis, IN	ATC	80,000	(1/89)
91.	Providence/Warwick, RI	Times Mirror	78,528	(6/89)
92.	New Orleans, LA	Cox Cable	78,493	(3/89)
93.	Allentown, PA	Service Electric	78,000	(8/89)
94.	Oklahoma City, OK	Cox Cable	77,014	(3/89)
95.	South Texas, TX	Heritage	75,560	(6/89)
96.	Pleasant Hill, CA	WestMarc	74,887	(6/89)
97.	Omaha, NE	Cox Cable	74,472	(3/89)
98.	Little Rock, AR	Storer	74,274	(6/89)
99.	Birmingham, AL	ATC	73,500	(5/89)
100.	Flint, MI	Comcast	73,000	(6/89)

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

AUGUST 28, 1989

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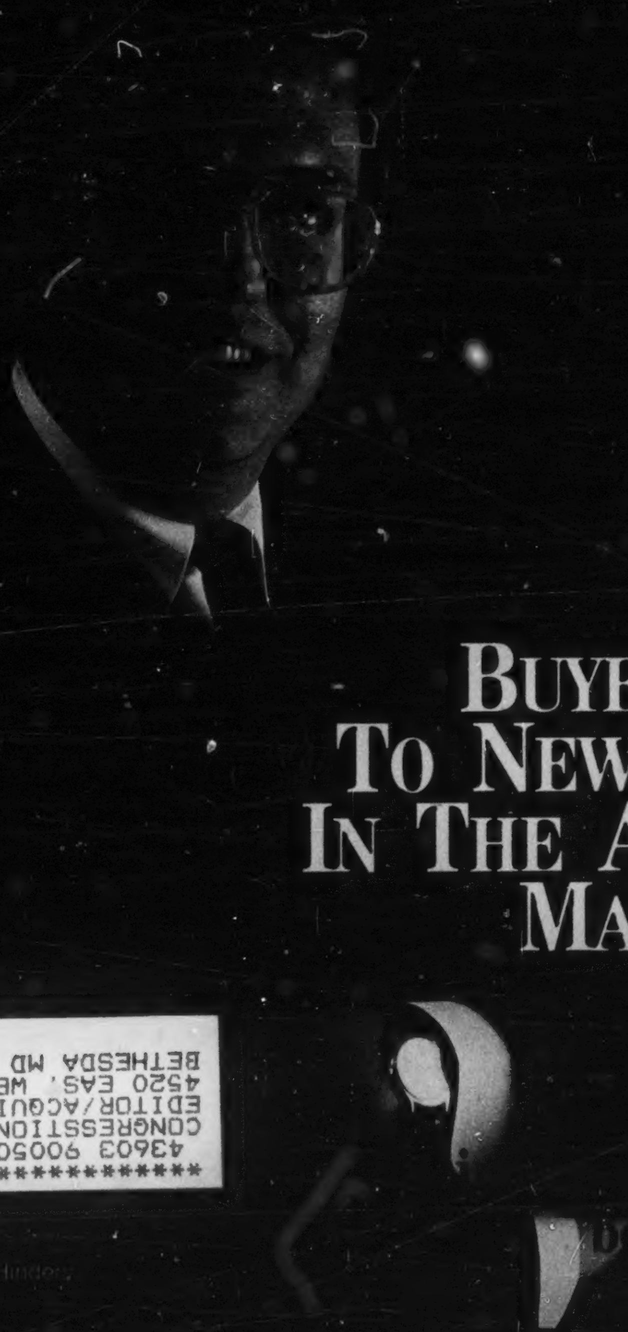

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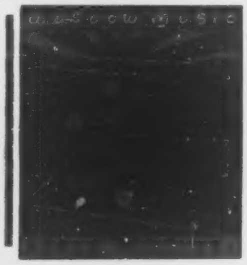

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HANDBOOK

Pay-Per-Viewpoints

'Unless you're stuck with a foolish decision made early on, it's not an economical business. You must look at the bottom line, because this is a pretty transactional business.'

— John Sie, senior vice president of TCI

■

'It's very clear that PPV is moving at 90 miles per hour. Everyone is looking at it. There's no one I know who doesn't believe in it. Even John Sie believes event PPV is a business.'

— Hal Krisbergh, president of the Jerrold Division of General Instrument Corp.

■

'Our policy has been to roll out addressability at a moderate rate and not go fully forward. Operationally, our systems have been slow to implement new automation until the market demands it.'

— JoAnne Abbey, ATC director of marketing

■

♦To solve the PPV puzzle, cable must play technical and financial hardball

By Fred Dawson and Craig Kuhl

What ails pay-per-view?

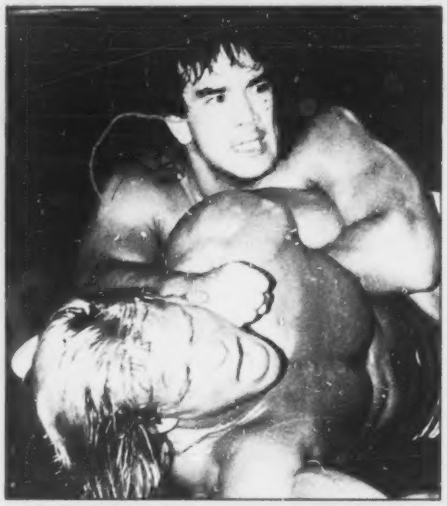
Depending on whom you talk to, the perspective on PPV is either that it hasn't lived up to its promise, and may never, or that it's going through a gestation period where the promise is certain to be realized—it's just a matter of a little more time.

But there's no denying the obvious. After 10 years of talk and development, PPV is still a long way from fulfilling the rosy vision that embellished franchise proposals deposited with cities across the nation in the first part of this decade. Out of 50 million cabled households, between 34 million and 38 million, depending on whose estimates you cite, are inaccessible to pay-per-view services, which is to say, they're unaddressable.

Maybe it's the name. It's hard to get excited about something with the ungainly appellation of pay-per-view. Or perhaps it's the public. The masses may not be ready, whether out of habit or deep-seated resistance, to pay enough attention to movie and event playlists to be lured into purchasing programming on a one-time basis.

Theories abound. It's the unfriendly set-top addressable box. It's Hollywood's lack of cooperation. It's the operational hassles of order taking, billing and continuous marketing. It's the low margin.

But one thing is certain. PPV's slow takeoff is not a function of public indifference to on-demand motion picture viewing in the home. With PPV hovering around the $180 million annual revenue mark, total revenues for sales and rentals of movie cassettes are expected to hit $9 billion this year, according to an estimate by the Video Software Dealer's Association, outstripping both pay TV and box office receipts.



Operators could lose to home video now—and telcos later—if they don't grip PPV's potential, like these *Halloween Havoc* wrestlers

■

But in some cable operators' eyes, the success of home video only points to the futility of the electronic video store agenda. To the die-hard naysayers who never did believe PPV had anything to offer, including some of the most powerful MSO executives, the present state of affairs should be the final word on the subject. It didn't pan out, and it never will. "Unless you're stuck with a foolish decision made early on," says John Sie, senior vice president at TCI. "It's not an economical business. You must look at the bottom line, because this is a pretty transactional business."

But to a swelling contingent of system managers, marketing executives, hardware vendors, programming suppliers, impresarios and—who knows?—maybe even customers, PPV has reached the point of critical mass, where a combination of many factors, each with its own gathering momentum, will push PPV to fulfillment at the leading edge of the '90s era in television entertainment, no matter what the naysayers do or don't do.

One such realist—they don't think of themselves as visionaries—is Hal Krisbergh, president of the Jerrold Division of General Instrument Corp. While Krisbergh, who oversaw the startup of

Cable Video Store in 1985, acknowledges that PPV has reached critical mass about a year later than he anticipated, the fact that the moment has arrived ensures PPV is headed for high orbit.

"It's very clear that PPV is moving at 90 miles per hour," he says. "Everyone is looking at it. It's not just another movie service. It's event programming, it's concerts, it's boxing, it's Playboy, it's the *Moscow Peace* concert. There's no one I know who doesn't believe in it. Even John Sie believes event PPV is a business."

Indeed, of late, the event phenomenon (**see story, p. 46**) has been crucial to the current of optimism, such as it is, that surrounds PPV. No greater testament to the faith in event potential to drive PPV can be found than that of the managers of Cox Cable's San Diego operation, where $20 million is being spent on 180,000 new Pioneer addressable converters against a backdrop of dwindling revenues for motion picture PPV.

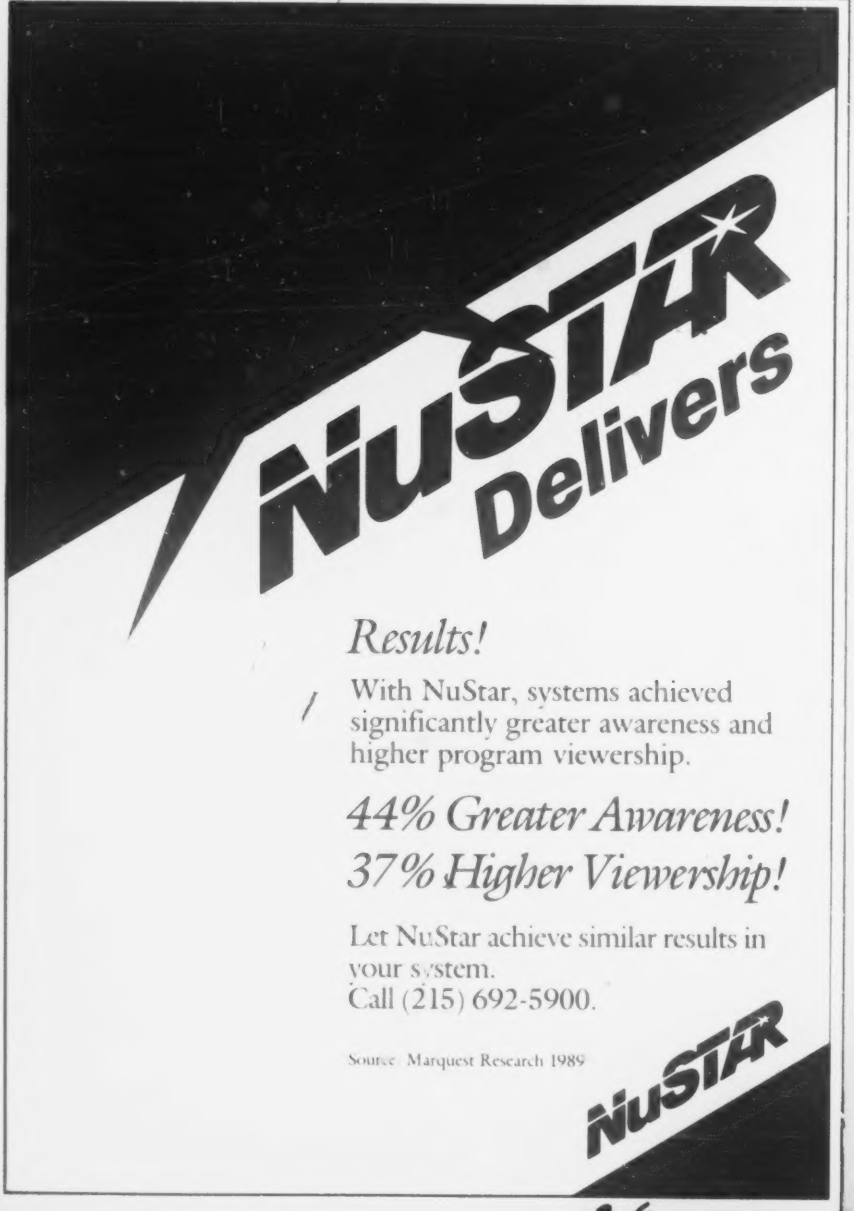
Cox, which has been in the PPV business in San Diego for most of this decade, reports overall revenues have reached $32 per year per addressable subscriber, with the ratio of PPV to pay revenues in addressable homes now at $1:$5, versus $1:$20 five years ago. But recently the ongoing PPV surge has been tied to special events, baseball and adult films, with standard motion picture fare dropping from a peak of $7.10 per addressable sub in 1987 to $4.75 this year.

In a presentation of these figures at a symposium on PPV sponsored by QVP Publishing Inc. and reported in *Variety* on Aug. 10, Cox's vice president of marketing for the San Diego system, Art Reynolds, excoriated the motion picture studios for doing a "superb job of screwing up the PPV movie business." With the various boycotts by major studios of some satellite-delivered and, even, standalone PPV services and a general lengthening of windows between home video distribution and PPV release to an average of over 50 days, Reynolds is not alone in citing Hollywood as the PPV spoiler.

"What we've found is that much of the PPV success is due to pre-sold events because people already know about them," says Susan Yee, vice president of Twin County Transvideo, an independent system serving 60,000 customers in Northampton, Pa., and boasting one of the longest-running PPV businesses in the industry. With experience going back to the early '70s, Yee can say with some certainty, "If we watch our marketing budget, PPV is a money-maker for us."

But the motion picture situation has made life much harder. "I hate to say it," says Yee, "but we're getting all reruns and there's not much sizzle left after first running. You look at movies as purely an alternative to events and you must be very cost-effective with your marketing budget for one movie."

To Marvin Jones, president and CEO of UAE Cablesystems, the movie issue is a life or death one for PPV. "The studios are careful," he says. "They don't want to



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hurt videocassette rentals, and right now they give PPV somewhat of a chance. I think the window issue will make or break PPV. If we can't get the windows changed, it won't work out."

Maybe not. But there are many operators with film-based PPV up and running who, while acknowledging the studios are making life difficult, see no reason to panic. Lowell Hussey, Warner Cable's senior vice president for sales, marketing and programming, when asked why his company has gone from a PPV base of two or three systems in 1978 to offering it in virtually all systems on an addressable foundation of 800,000 subscribers, comments, "We like the business, and it makes us a lot of money."

There's no magic to Warner's approach—just one Request channel and one Viewer's Choice plus a barker channel shapes most of the PPV operations. But the business is on a fast growth curve in Hussey's estimation, having gone from about $15 per addressable sub per year two years ago to $30 today and headed for $36 next year and "the low 40s" two years from now.

Telecable, too, has made a business of PPV, no frills, straight off the satellite, selling into an addressable universe that represents 70 percent of its 580,000-subscriber base. According to Charles Kennamer, engineering manager of addressable technology, the goal from the start was to create a smooth, easy-to-run business. It took trial and error to get to a relatively hassle-free, ANI-based operation, but, today, Kennamer says, "We're happy with it. We've got it running, and now we can kick back and hope it continues to generate some revenues."

But unlike Hussey, Kennamer doesn't see major growth ahead for the two Viewer's Choice/one barker channel combo that comprises Telecable's PPV operations. "From the outset, we positioned this as a relatively small incremental business," he says. In fact, he adds, it would be a much harder choice to go into PPV if Telecable hadn't built an addressable base of Zenith converters starting in the early '80s.

Indeed, what is a hassle-free, incremental business in the operational milieu of one MSO is a conundrum of low-return, time-consuming fits and starts for another. At Continental Cablevision, Programming VP Ted Livingston views PPV as three separate businesses—boxing and wrestling, smaller events and movies—where the last two of the three are struggling. "Frankly, it's been disappointing," he comments. "We haven't gotten the movies we feel we should have. The operators tend to be enthusiastic at first, but when results don't measure up, they get discouraged. The studios are not taking steps to invest in PPV. They are being strongly influenced by video store people. We have a ways to go with PPV and need some good experiences."

Nevertheless, there is another side of the coin, as Livingston acknowledges. "'It's probably fair to say that the cable industry could make a more concerted effort with PPV," he says, noting, for example, that "what TCI says carries a lot of weight, especially if they say PPV is a questionable revenue stream."

If, as JoAnne Abbey, ATC's director of marketing, contends, "the costs of addressability continue to be very high and its growth the next five years will lag significantly behind VCR growth," how much blame can cable operators lay at the feet of Hollywood for the studios' swing toward greater support for home video? Abbey points out that some market predictions foresee VCR penetration heading for 85 percent of the market over the next five years versus 35 percent for addressability, which would tell a studio that, paltry though the home video take per sale might be next to the PPV share (50 cents versus $1.50 or more), the cable potential isn't big enough in the near term to risk upsetting the home video market.

There's no better bellwether around than ATC when it comes to marking which falls off the PPV fence first, the chicken or the egg. "Our policy has been to roll out addressability at a moderate rate and not go fully forward," Abbey says. "Operationally, our systems have been slow to implement new automation until the market demands it."

According to informed sources, the second-ranking MSO will be moving even more slowly in the immediate future, owing to a decision to peg expansion of

'We keep looking at it (off-premises). The concept sounds great, but, first of all, we wonder how, given the costs involved, this is going to cut into the existing base of boxes. And there are other things that hurt off-premises, such as the placement of active electronics out in the environment, the cost of adding ports to households that never subscribe and the fact that current interdiction systems are limited to 300 MHz.'

— Vito Brugliera, marketing vice president for Zenith's Cable Products Division

■

'I think PPV in the last year has really started to take off. When we began these services, the people we talked to were system managers. Now we're talking to MSO managers about large-scale contracts.'

— Catherine Kinney, product manager for Ameritech's CATV Order Entry business

'The studios are careful. They don't want to hurt videocassette rentals, and right now they give PPV somewhat of a chance. I think the window issue will make or break PPV. If we can't get the windows changed, it won't work out.'

— Marvin Jones, president and CEO of UAE Cablesystems

■

'We like the business, and it makes us a lot of money.'

— Lowell Hussey, Warner Cable's senior vice president for sales, marketing and programming

■

'We still feel PPV will be an important revenue stream, particularly if we're reregulated. TCI won't tell us to do it or not. They'll let us make that decision and monitor its success, but they're just not ready to commit the capital until they have proof that PPV is a business.'

— Fred Vierra, president and COO of UAE

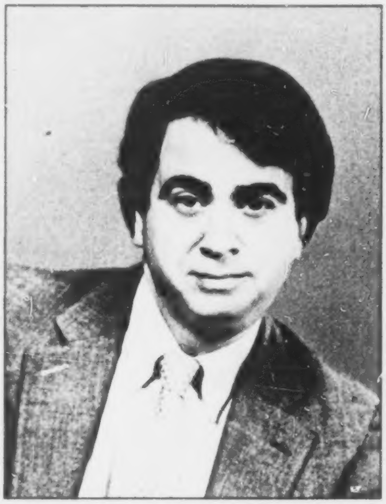
■

addressability to development of off-premises technology. "You don't have much sympathy for PPV at the top there," notes one close observer of ATC's thinking. "(Chairman and CEO Joe) Collins has an outspoken history of opposition to the concept. The position now seems to be, 'Show me a distribution approach that works, and maybe we'll go for it.'"

In a paper written for a technical session at the NCTA convention in Dallas this past May, ATC's James Chiddix, senior vice president of engineering, and David Pangrac, director of technological development, offer this insight into their company's thinking:

"The original dream of addressability encompassed automated delivery of multi-pay and pay-per-view, operating savings from reduced truck rolls, reduced converter losses and the ability to market more flexibly. In retrospect, we see a number of unanticipated problems. Addressability introduced additional layers of complexity to virtually all operational aspects of our systems, and there were varying degrees of success in coping with this. Some vintage addressable converters were unreliable, wiping out potential operating savings and angering subscribers to boot. While most addressable set-top units being delivered today have achieved acceptable reliability, these problems will be with us for some years in our universe of older converters.

"Additionally, the multi-pay environment did not require the number of channels once expected. Three or four services appear to meet the needs of most markets, and trapping is often a viable delivery option. Problems with consumer friendliness, which resulted from the introduction of scrambled signals at the same time that 'cable-ready' consumer equipment was being introduced in volume, were largely unforeseen, but have growing significance. According to research done by ATC over a large sample, over 52 percent of cable subscribers own cable-ready equipment and over 68 percent have VCRs. As an industry, we have not been particularly successful in addressing the resulting issues."



The last thing the industry should have PPV concerns over is addressability approaches, says Jerrold President Hal Krisbergh

■

But, if ATC's experience makes it wary of addressability, its sensitivity to potential trends in television distribution have kept the door ajar on the technology. "The experience of a number of operators indicates that there is additional revenue available from pay-per-view, although the magnitude remains unclear," the two engineering executives say. "In addition, our most likely long-term competitors, who will employ direct broadcast satellites and switched telco delivery systems, may well be capable of pay-per-view delivery to all of their subscribers. Thus, to the extent that pay-per-view offers things that consumers want, our moving away from addressable technology may put us at a competitive disadvantage."

In suggesting that off-premises addressability might be the answer, ATC executives are part of a growing consensus that the time has come to rethink to-the-home distribution topology, no matter what disasters such thinking has led to in the past. As noted by Chiddix and Pangrac, a multitude of off-premises systems were introduced and installed at the outset of this decade, and none survived. "These systems shared all the consumer interface drawbacks of addressable descrambling converters," they say, "and most lacked any ability to deliver broadband signals to the home for use by cable-ready TV sets and VCRs. In addition, the electronics moved outside the home were the inner workings of highly complex RF hetrodyne

HANDBOOK

Pay-Per-View Supply Chart

August — Source

The Accidental Tourist — Warner Bros.
MPAA Rating: PG — Running Time: 125 mins.
Cast: William Hurt, Geena Davis, Kathleen Turner

After School — The Movie Store
MPAA Rating: R — Running Time: 89 mins.
Cast: Robert Lansing, Sam Bottoms, Renee Coleman

The Boost — HBO
MPAA Rating: R — Running Time: 95 mins.
Cast: James Woods, Sean Young

Cocoon-The Return — 20th Century-Fox
MPAA Rating: PG — Running Time: 119 mins.
Cast: Don Ameche, Gwen Verdon

Daffy Duck's Quackbusters — Warner Bros.
MPAA Rating: G — Running Time: 74 mins.
Cast: Mel Blanc (voices)

Dangerous Liaisons — Warner Bros.
MPAA Rating: R — Running Time: 120 mins.
Cast: Glenn Close, John Malkovich, Michelle Pfeiffer

Dirty Rotten Scoundrels — Orion
MPAA Rating: PG — Running Time: 110 mins.
Cast: Steve Martin, Michael Caine

Halloween IV — Galaxy
MPAA Rating: R — Running Time: 88 mins.
Cast: Donald Pleasence, Ellie Cornell, George Wilbur

Heartbreak Hotel — Disney
MPAA Rating: PG-13 — Running Time: 112 mins.
Cast: David Keith, Tuesday Weld, Charlie Schlatter

Love At Stake — HBO
MPAA Rating: R — Running Time: 80 mins.
Cast: Bud Cort, Kelly Preston, Patrick Cassidy, Barbara Carrera

Midnight Cop — Avalon
MPAA Rating: R — Running Time: 100 mins.
Cast: Michael York, Frank Stallone, Morgan Fairchild

Parents — Vestron
MPAA Rating: R — Running Time: 82 mins.
Cast: Randy Quaid, Mary Beth Hurt, Sandy Dennis

Pin — New World
MPAA Rating: R — Running Time: 103 mins.
Cast: Bronwen Mantel, Cyndy Preston, David Hewlett

Split Decisions — New Century/Vista
MPAA Rating: R — Running Time: 95 mins.
Cast: Gene Hackman, Craig Sheffer, Jennifer Beals

Tapeheads — Avenue
MPAA Rating: R — Running Time: 93 mins.
Cast: John Cusack, Tim Robbins, Doug McClure, Connie Stevens

True Believer — Columbia
MPAA Rating: R — Running Time: 103 mins.
Cast: James Woods, Robert Downey Jr., Margaret Colin

War Birds — Avalon
MPAA Rating: R — Running Time: 88 mins.
Cast: Jim Eldert, Timothy Hicks

Who's Harry Crumb? — Tri-Star
MPAA Rating: PG-13 — Running Time: 90 mins.
Cast: John Candy

September — Source

Beaches — Disney
MPAA Rating: PG-13 — Running Time: 123 mins.
Cast: Bette Midler, Barbara Hershey, John Heard

The 'Burbs — Viacom
MPAA Rating: PG — Running Time: 103 mins.
Cast: Tom Hanks, Carrie Fisher, Bruce Dern

The Fly II — 20th Century-Fox
MPAA Rating: R — Running Time: 105 mins.
Cast: Eric Stoltz, Daphne Zuniga

Heathers — HBO
MPAA Rating: R — Running Time: 103 mins.
Cast: Winona Ryder, Christian Slater

The January Man — MGM/UA
MPAA Rating: R — Running Time: 98 mins.
Cast: Kevin Kline, Susan Sarandon, Harvey Keitel, Rod Steiger

Mississippi Burning — Orion
MPAA Rating: R — Running Time: 125 mins.
Cast: Gene Hackman, Willem Dafoe, Brad Dourif, Frances McDormand

Talk Radio — Universal
MPAA Rating: R — Running Time: 110 mins.
Cast: Eric Bogosian, Leslie Hope, Ellen Greene

Tequila Sunrise — Warner Bros.
MPAA Rating: R — Running Time: 116 mins.
Cast: Mel Gibson, Kurt Russell, Michelle Pfeiffer, Raul Julia

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.
Film information provided to *Cablevision* by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	ADDRESSABLE SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events.	750,000
Drive-In Cinema (Graff PPV)	July 1, 1989	Spacenet II t.TBA	VideoCipher II	Action/comedy/horror films.	N.A.
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,500,000
Rendezvous (Graff PPV)	July 1, 1989	Spacenet II, t.2	VideoCipher II	Adult entertainment movies & specials.	N.A.
Request Television	November 27, 1985	R-1: Satcom III-R, tr.19 R-2: Satcom III-R, tr.24	VideoCipher II	Two channels offering movies and special events	4,500,000
Tuxxedo Network	December 1, 1987	Galaxy II, tr. 10	VideoCipher II	Adult movies and special events.	500,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, t. 21, VC-2: Galaxy III, t. 16	VideoCipher II	Two channels of movies and special events	5,500,000

next answer on the horizon. "We keep looking at it," he says. "The concept sounds great, but, first of all, we wonder how, given the costs involved, this is going to cut into the existing base of boxes. And there are other things that hurt off-premises, such as the placement of active electronics out in the environment, the cost of adding ports to households that never subscribe and the fact that current interdiction systems are limited to 300 MHz."

In Hal Krisbergh's opinion, the last thing the industry needs is to get hung up on the best approach to addressability. "The key for us is we have the basic encryption and addressable technology to employ however the customer wants it to go. It's all the same to me. What the success of addressability to date has done is provide us with the resources to develop alternative approaches, and that's what we're doing."

PPV UNIVERSE GROWTH

Year	PPV-Cable Homes
1986	10.3 million
1987	11.5 million
1988	14.0 million
1989	16.9 million
1990 (forecast)	20.3 million
1995 (forecast)	40.5 million

Source: Paul Kagan Associates

What the industry needs to realize, Krisbergh says, is that "the most valuable piece of real estate the cable operator owns is on top of the TV set." Rather than being a headache, it serves as an exclusive means to extract revenue that otherwise wouldn't be available. "One needs to defend this real estate," not trash it, he says, which means getting behind the multiport solution as the way to overcome the chief consumer complaints about the box.

To the cable operator who chooses to look a little into the future, the advice offered by Hussey, Brugliera and Krisbergh may be well worth thinking about. The telco vision of the electronic video store, with hundreds of movie titles accessable at the touch of a button, might be as blue sky today as PPV was in 1980, but technology and telecommunications services are moving ahead to the point that less visionary competitors to cable may have a shot at PPV much sooner than the telcos. In fact, it is the telcos who are helping to open such an opportunity through the rapid spread of ANI (automated number identification) services.

Bell Atlantic recently announced it was filing tariffs for CATV PPV order taking services in five states, following successful testing of such services with six cable companies. Ameritech already has tariffed PPV ordering services up and running in its Bell operating

continued on page 56

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System people

Earl Young, general manager of Bay Cablevision in Richmond, Calif., was named assistant vice president of Lenfest Group's marketing department. *Malcolm Taylor*, employed at Bay Cablevision since 1979, will serve as acting general manager.

* * *

Charter Cable Inc. named *Kenneth Jaskot* general manager of its Huntington, W. Va., system and regional office. Before coming to Charter, Jaskot was customer services director for a number of ATC outlets.

Cable Media has opened a St. Louis sales office for the benefit of systems in the vicinity. *James Mayfield Jr.* will be vice president and sales manager for the branch; he recently worked as senior vice president/regional marketing director for D'Arcy, Masius, Benton & Bowles.

Submissions to this section are welcome. Send your appointment information and/or photos to System People, c/o *CableVision*, 345 Park Ave. South, 9th Floor, New York, N.Y. 10010.

continued from page 45

territories. And most other major telcos as well as AT&T are getting into the business.

According to Catherine Kinney, product manager for Ameritech's CATV Order Entry business, the growth of the service, priced at between 16 cents and 25 cents per call, has been slow so far. But she sees signs of rapid change. "I think PPV in the last year has really started to take off," she comments. "When we began these services, the people we talked to were system managers. Now we're talking to MSO managers about large-scale contracts."

Kinney says Ameritech sees a major opportunity for ANI in the cable business, extending beyond PPV to the whole range of cable system interaction with customers. "The ability to use ANI to identify the calling party opens many possibilities," she says. Calls can be routed automatically, records for CSRs can be called up automatically, etc. In Ameritech's view, the PPV ordering process will be ever easier from an operational standpoint as the rest of the cable system's marketing and service operations are tied to automated call processing systems.

ANI isn't for everyone, of course, although some cable firms looking for low-capital intensive, low-personnel intensive approaches to PPV swear by it. "We're using ANI in 100 percent of our systems," says Telecable's Charles Kennamer. "It's working just fine, so we don't have any plans to change it." Cablevision Systems Corp., on the other hand, has tried it but doesn't cotton to it, says Al Johnson, director of technical operations. "Too often, the TV set is too far away from the phone jack, which means you have to install a jack or run extra cord through the house," he comments. Instead, the MSO, with over half of its subscriber base now addressable, relies on CSRs, ARUs and, in the case of the two-way plant in Brooklyn and Queens, Jerrold's Starview.

If Hal Krisbergh is right about the critical mass having already been reached in PPV, cable operators might soon find themselves caught up in the PPV juggernaut, no matter what judgments they've formed up to now. "The size of the addressable base right now gives the cable industry the ability to compete effectively against the broadcast networks for blockbuster events," Krisbergh says. "With a buy rate of well under 8 percent, at a price of about $15 for the event, the base is large enough to secure the top events in sports." Krisbergh's calculations, given an addressable base of 13 million converters (his estimate), add up to $15,600,000 for a $15 event taken by eight percent of the base.

No one among the top MSO executives has given more support to PPV than Fred Vierra, president and COO of UA Entertainment, parent to UAE Cablesystems. But he has to convince UAE Chairman Stewart Blair, a reputed skeptic, and the TCI hierarchy as well that the largely addressable base of the United Cable group is a model on which to build the giant MSO's future.

Showtime Event TV brought The Greatful Dead back to event PPV last month

■

"We still feel PPV will be an important revenue stream, particularly if we're reregulated," Vierra says. "TCI won't tell us to do it or not. They'll let us make that decision and monitor its success, but they're just not ready to commit the capital until they have proof that PPV is a business."

Given the current pace of developments in PPV, that proof may not be long in coming. ■

Cable in Israel emerges with a decided American slant

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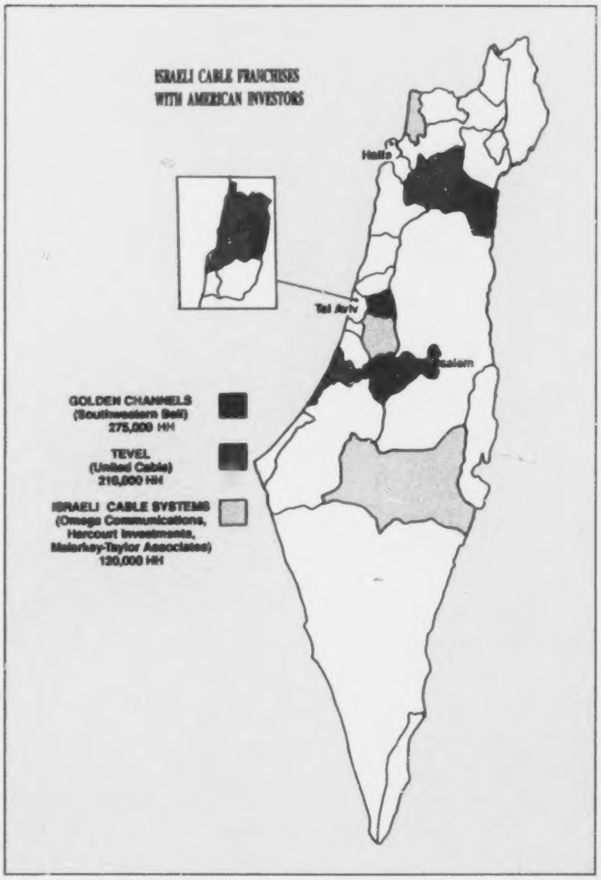
By Keith Elliott Greenberg


ISRAELI CABLE FRANCHISES
WITH AMERICAN INVESTORS
Haifa
Tel Aviv
salem
GOLDEN CHANNELS (Southwestern Bell) 275,000 HH
TEVEL (United Cable) 210,000 HH
ISRAELI CABLE SYSTEMS (Omega Communications, Harcourt Investments, Malarkey-Taylor Associates) 120,000 HH

Israel, where broadcast television did not begin until 1968, is about to leap into the cable era in a way that blends a European approach to regulation with North American money and equipment.

Construction is about to begin on the first of 19 franchises already awarded, and the government hopes that the first subscribers will be connected by the end of this year or early next. "In time, this will help us to see what we really are: a Western country," said Meir Srebernik, director of cable and pay TV for Israel's Ministry of Communications.

There definitely is a Western feel to Israeli cable. Among the American investors in franchises already awarded, Srebernik said, are Southwestern Bell, United Cable Television, Omega Communications, Harcourt Investments and Malarkey-Taylor Associates. The later three are participaing in Israeli Cable Systems Ltd. Expected to be the major equipment suppliers are Jerrold, Magnavox, Hughes, Comm/Scope, Times Fiber Communications and other U.S. companies, he added.

Television—on the surface at least—has remained relatively unchanged since the state-run Israel Broadcasting Authority channel began in 1968. In some parts of the country an experimental commercial channel similar to England's ITV is available, as are stations from Jordan, Lebanon, Syria and Egypt.

But in the last four years, pirate cable has flourished, Srebernik said, with entrepreneurs transmitting movies throughout apartment buildings from VCRs or even programming taken from foreign satellites—which accounts for MTV in Tel Aviv bars. "There are several hundred of these systems operating illegally," Srebernik said.

Srebernik pledged that cable television will offer an alternative to state-run programming, giving viewers "the right to choose... pluralism in communication." Rabbis discussing the Talmud likely will be seen beside imams sermonizing on the Koran, rock videos, professional wrestling and self-help programs for *kibbutzniks*, residents of Israel's collective farms.

Enabling legislation creating the Israeli cable industry, passed in August 1986, gives each franchisee a monopoly in its territory, while directing the system's planning, construction, programming and operation. The law created the Cable Television Broadcasting Council consisting of eleven members, five representing government ministries and six representing the public. The council chooses winning bidders for franchises and sets policy regarding software and programming. It also has the option of determining new policies relating to operations and programming, including the number and type of signals received from foreign satellites. Additionally, the law created the Cable Television Service to supervise the systems.

coaxial cables must pass the European national specifications of the Dutch, German and French systems. Microwave links may be used in certain areas even if the bandwidth does not allow the transmission of more than eight video channels. Addressable systems or those employing standard channel converters can be offered.

"In general, the Ministry of Communications tried to find a compromise between the market-oriented systems of North America, where cost is the most important factor, and the high-technology systems found in Europe during the last 15 years," Srebernik said. "One had to take into consideration that standardization in general in Israel is European, while most of the bidders would be American or American-oriented. The situation that arose was that the Europeans claimed the technical specifications were too weak, while American entrepreneurs went berserk over the more expensive requirements for the system.

Israeli cable systems will be required to carry the Israel Broadcasting Authority channel, the state-run experimental commercial station, the Ministry of Education channel, and a local origination channel offering community access and other programming four hours daily.

Beyond that, franchisees have the option of choosing from the council's list of "welcome and agreeable" foreign signals, including Rupert Murdoch's Sky Channel, Super Channel, Italy's RAI Uno, France's Canal Plus, West Germany's ARD, CNN and the U.S. Information Agency's WorldNet. The franchisee must act to acquire the rights to receive and distribute the signals. Subject to a special license, the franchises can offer data and additional services.

A minimum of 18 and maximum of 40 channels are allowed. Each franchisee must produce 90 hours of local programming quarterly.

There will be no commercial advertising on all but the experimental commercial station before August 1991, at which time the government, on the recommendation of the council and Ministry, will render a decision on the issue.

All tariffs—whether pertaining to installation fees, basic or premium service—are determined in the bidding process. Once a bid is won, the tariffs cannot be changed for three years but the franchise can ask the Ministry of Communications for permission to raise tarrifs.

Franchisees pay an initial fee of $25,000 to the government, then an annual rate of $6,000. Royalties are zero percent of gross income during the first year of operation, three percent during the second year, four percent during the third year, and five percent for subsequent years.

At least 51 percent of each franchise must be owned by Israelis. Southwestern Bell is part owner of Golden Channels, which won the franchise for about 275,000 households in Jerusalem and other nearby cities. Israeli investors in the company include Tadiran, an electronics company, the *Yediot Achronot* newspaper and the telecommunications company Aurek Group.

United Cable Television holds a 49 percent interest in Tevel, which won the bid for 210,000 households in the Tel Aviv metropolitan area. The Israeli Discount Investments Corp. also is a partner.

Omega Communications and Harcourt Investments, both of Indianapolis, Ind., and Washington, D.C.'s Malarkey-Taylor Associates are shareholders of I.C.S., which will serve territory in Acra and Naharia in the north and Rehovot and Beersheba in the south, representing 120,000 homes.

The two major European investors are Redifusion of Zurich and Saditel-Tonna Electronics of Reimes, France. Redifusion holds shares in Gevanim, which won the bid for Rishon Le Zion and other northern areas. Saditel-Tonna is part of Cablenet, the franchisee for Haifa, Israel's third largest city.

Hughes is going to be the main supplier of microwave equipment, since the Israeli Defense Forces and other authorities utilize the frequency offered by the company's products.

Srebernik said Israel's cable systems will be built on the lessons of other countries. "Like in the technical specifications, the franchising process is a compromise between American and European methods. It mixes the American approach of decentralizing the franchising process with no enforcement of control regarding programming or detailed technical issues, and the European approach of direct government interference in the planning, construction and other technical matters. There was also a wish to adopt the Canadian experience and achievements in such areas as local origin of programs, ethnic channels and high involvement of the community in the programming process."

A source of much consternation among Israel's right wing is a requirement for programming for the Arabs. Systems operating in regions with 25 percent or more Arab inhabitants must offer at least one feature film a month, and two to four hours a week of news bulletins in Arabic. ■

Opposing camps struggle to promote their interpretation of GAO report

◆◆◆◆◆

By Lisa Stein

GAO REPORT — BY THE NUMBERS

Basic Rate/Number of Channels/Price Per Channel Revenue Per Sub

Cable System Size (Subscribers)	12/1/86	12/31/87	10/31/88
Very Small (1-1,000)	$11.30/15.8/$.71 $17.61	$12.65/18.2/$.70 $18.90	$13.91/19.7/$.71 $20.10
Small (1,001-3,500)	$11.20/18.9/$.59 $18.26	$12.88/21.8/$.59 $19.91	$14.16/23.6/$.60 $21.46
Medium (3,501-10,000)	$10.96/22.5/$.49 $19.03	$12.76/26.0/$.49 $20.84	$14.10/28.6/$.49 $22.32
Large (10,001-50,000)	$11.58/26.8/$.43 $21.30	$13.45/30.9/$.44 $23.35	$14.87/33.3/$.45 $25.06
Very Large (50,000 and up)	$12.31/30.9/$.40 $23.72	$13.98/33.9/$.41 $25.16	$15.17/35.4/$.43 $26.28
All Systems	$11.70/26.6/$.44 $21.58	$13.46/30.0/$.45 $23.29	$14.77/32.1/$.46 $24.68

The General Accounting Office report to Congress on cable television rates was supposed to be the study to end all studies—the one on which cable TV's legislative future in large part could be decided.

Instead, the GAO report has become something of an ink blot test: People see in it what they want and are trying to persuade others that their interpretation is the "right" one. And these interpretations are coming at a crucial time, given that Congress recessed shortly after receiving the GAO study, and many Members returned to their home districts with a copy of it in their briefcases.

Despite valiant attempts by the cable industry to characterize the study as good news, Rep. Rick Boucher, D-Va., a member of the House telecommunications subcommittee, said the report—which concludes that average monthly rates for the most popular level of basic service increased 26 percent in the two years following deregulation—provided the oomph needed to pass legislation permitting telephone companies to provide TV programming.

"We are going to pass legislation this Congress, probably next year, establishing the terms and conditions under which the telephone companies should be allowed to provide cable in their service areas," said a confident Boucher, who has introduced such a measure that also would permit local officials to regulate cable rates in those markets in which there are not competing systems.

"This bill will be enacted. The GAO report gives emphasis to and sustains arguments that the cable industry needs to be restructured. ...It shows that rates for basic cable were up more than any other good or service in this country and that is clearly unacceptable. Something has to be done. The industry either has to be reregulated or opened to competition," said Boucher in an interview with *CableVision*. He stressed that he believes competition is the way to go to keep cable—which he said the GAO report "confirms is an unregulated monopoly that has been abusive to consumers"—in line.

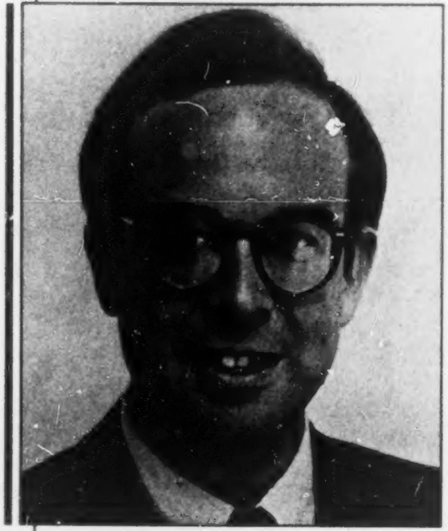
Boucher, who said he receives about 100 letters a month from constituents complaining about their cable TV service, said the bill has such good odds of passing because of escalating consumer outrage.

"There is a lot more public interest to do something about this than about (relaxing restrictions on the Bell operating companies contained in the Modified Final Judgment)," he said, referring to the mounting popularity of efforts in Congress to ease court limits barring the Baby Bells from providing information services and making telecommunications equipment. "There is almost no constituent interest in that, but I have gotten hundreds of complaints from people upset about cable."

Rep. Jim Cooper, D-Tenn., a colleague of Boucher's on the telecommunications subcommittee, agreed that the GAO findings were "damaging" to the cable industry "because of the dramatic increases" documented. But he denounced the study as "shallow" because, he said, it failed to take into account such crucial issues as the cost of providing cable service compared to the rates charged subscribers and the effect on monthly rates of quick turnovers of cable systems for generally healthy profits.

Rep. Ed Markey, D-Mass., chairman of the House telecommunications subcommittee, asked the GAO to submit a new study to the panel next spring answering questions left hanging by the first survey and said the subcommittee would hold additional hearings on issues surrounding cable deregulation.

"The follow up study will show the early results are even worse," Cooper said during an interview, adding that despite its shortcomings the GAO study indicates "monopoly profits are being made not just by price gougers but by the cable industry as a whole" and that "there is a need for competition or reregulation to restrain prices." He noted, however, that Congress "will have to wait until we get sound, reliable evidence" before taking action.



Rep. Rick Boucher, D-Va.

The cable industry, which is trying to retain its regulatory freedom in the face of continuing criticism, insists the long-awaited GAO study showed that cable TV price hikes have been reasonable, effectively taking the wind out of the sails of reregulation efforts.

The National Cable Television Association said the increases were necessary because rates had been artificially restrained by municipalities prior to deregulation and noted further that the hikes were accompanied by a rise in the number of channels available to subscribers.

"We do not believe... that this survey depicts an industry broadly abusing its freedom. We haven't attempted a total catch up and most rate increases have been offset by more channels of service and much improved program quality," NCTA President James Mooney told the House telecommunications subcommittee during a hearing earlier this month.

To prove its point, NCTA latched onto a finding in the bulky report that subscribers' average monthly bill, including increases in basic service and a slight slide in premium service rates, had risen 14 percent in the two years following federal deregulation.

But Boucher and Cooper said Congress was not concerned about the price tag for competitive premium services like Home Box Office and Showtime. If anything, Boucher said, the dip in premium rates proved the case for letting a strong competitor into the cable ring to keep a natural check on rates and service.

"What we're concerned about is the 29 percent increase in (the lowest-priced level of) basic service, which includes local broadcast and public television signals... and is what most Americans use. We are less concerned about premium service, which exists today in a competitive environment," said Boucher. "What this shows is that competition works. It brought down the charge for premium and can bring down the charge for basic cable service."

Local government officials agreed that the GAO study indicated that the cable industry should be reregulated or competition introduced to restrain rate hikes, also homing in on the conclusion by the GAO that the average monthly tab for the most basic tier of cable service had gone up 29 percent from December 1986 to October 1988.

"This makes a devastating statement about the cable industry. It will help the cities get more regulation or competition," said Tucson, Ariz., Mayor Tom Volgy, who represented the National League of Cities in negotiations leading up to the Cable Act and now serves as chairman of the NLC's telecommunications subcommittee, which has endorsed letting the telcos in to compete with cable.

He admitted that there are holes in the GAO report—citing concerns similar to those raised by Cooper—but forecast that the GAO's followup study would be "even more damaging" to cable.

Mayors and city officials across the country believe that cable subscribers are "being abused," he said, predicting that "when they get fed up to the point where they redirect all constituent complaints to Congress, Congress will act."

Despite NCTA's claims to the contrary, GAO official John Ols told the House telecommunications subcommittee that the report's most important finding was the 29 percent rise in the lowest-priced level of basic service, which he said should serve as a signal to lawmakers that it might be necessary to reregulate cable or provide competition to keep a lid on rates.

NCTA officials immediately tried to downplay the significance of the congressional investigator's recommendation, complaining that Ols lacked the authority to make such a claim since it was not contained in the study.

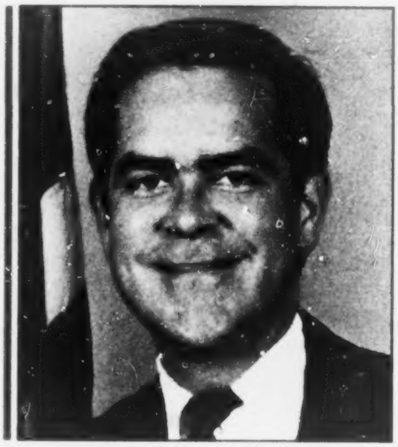
In fact, Ols, anticipating such inquiries from the subcommittee members, said he got the go-ahead of the GAO's chief counsel to make such a recommendation during the hearing. And, while some GOP members of the telecommunications panel tried to portray Ols as overstepping his authority, Boucher and key congressional aides said he did nothing wrong by making a recommendation when prodded by legislators.

Congressional and industry sources say that until the GAO releases its new study next year, the recent report no doubt will serve as a pawn in a public relations game among cable operators, local officials and the telephone industry, which says the study supports its call for repeal of a ban on telco provision of cable programming.

If media coverage is any indication, the National League of Cities and U.S. Telephone Association appear to have won the first round of the PR battle.

Many newspapers around the country that ran stories on the GAO study apparently used a wire service version, which focused on the 29 percent rise in basic rates rather than the 14 percent increase in subscribers' overall monthly bills pushed by NCTA.

The *Denver Post* ran the story, which was written by Beth Frerking, the paper's Washington bureau chief, across the top of the front page of the business section with the headline: "GAO: Reregulate Cable Industry/ Steady Rate Hikes Mean 'Bad News' for Consumers".



Rep. Jim Cooper, D-Tenn.

Frerking's story began by saying that "Congress should consider reregulating the cable television industry, because basic rates increased 29 percent during a two-year period ended last fall, a General Accounting Office official said."

The *Washington Post* ran a story on the front page of its business section leading off, "Monthly rates for basic cable television rose by more than 25 percent during the last two years, more than four times faster than inflation ..." and *The Wall Street Journal* ran a story on the GAO study headlined: "Soaring Cable-TV Prices Could Usher In Reregulation."

But when all is said and done, congressional and industry sources predict the GAO studies—especially the first one—will play second fiddle to a comprehensive review of the deregulated cable industry by the Federal Communications Commission which is due to be submitted to Congress in the fall of 1990. ■

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Basic services	Affiliates	Subscribers
ACTS Satellite Network	387	9,000,000
Alternate View Network	300	4,500,000
Arts & Entertainment Network (A&E)	3,700	39,673,000
Black Entertainment Television	1,800	24,218,000
CNBC	700	13,000,000
Cable News Network	11,860	51,527,000
Cable Value Network	1,800	23,300,000
C-SPAN	3,341	46,600,000
C-SPAN II	649	18,106,660
Country Music Television	1,092	9,124,974
The Discovery Channel	5,324	44,090,000
Eco/Galavision	300	1,000,000
ESPN	20,500*	52,251,000
Eternal Word Television Network	490	10,800,000
The Family Channel	8,424	45,734,000
Family Guide Network	60	4,500,000
FamilyNet	388	3,500,000
The Fashion Channel	650	10,100,000
Financial News Network	3,500	31,219,000
FNN/Score	1,600	20,000,000
Headline News	3,410	37,727,000
Home Shopping Network	1,470	16,503,770
Home Shopping Network II	372	6,618,609
The Inspirational Network	920	9,500,000
International Television Network	25	7,868,900
J.C. Penney TV Shopping Channel	119	5,100,000
KTVT	417	3,600,000
The Learning Channel	1,142	17,500,000
Lifetime	3,800	44,177,000
Mind Extension University	156	4,900,000
MTV	5,405	47,137,000
Movietime	447	13,000,000
The Nashville Network	8,518	30,499,000
National College Television	147	5,800,000
Nick At Nite	3,440	39,600,000
Nickelodeon	6,600	47,183,000
The Nostalgia Channel	387	5,700,000
Prevue Guide	400	12,000,000
QVC Network	1,000	14,100,000
RFD TV	30	2,182,190
Silent Network	189	13,600,000
SportsChannel America**	N.A.	1,500,000
TBS Superstation	9,426	49,725,000
Telemundo***	5	100,000
TNT	2,745	30,499,000
The Travel Channel	650	11,000,000
Trinity Broadcasting Network		9,100,000
Univision***	800	509,500
USA Network	10,100	48,427,000
VH-1	2,530	32,390,000
Vision Interfaith Satellite Network	315	6,200,000
The Weather Channel	3,650	39,051,000
WGN-TV	11,415	24,900,000
WWOR-TV	2,600	12,500,000
WPIX-TV	858	9,678,474
Bonus/basic services		
American Movie Classics	1,700	20,000,000
Bravo	375	2,500,000
Pay services		
American Exxxtasy	35	27,000
Cinemax	3,650	6,600,000
The Disney Channel	5,700	4,337,300
Home Box Office	7,400	17,000,000
The Movie Channel	3,250	2,700,000
The Playboy Channel	526	470,000
Showtime	6,000	6,600,000
Audio services		
AEI Lifestyle	142	2,578,838
AEI StarTracks Vocal Hits	26	854,390
Cable Radio Network	59	2,500,000
Galatic Radio	102	3,000,000
KKGO Super Jazz	18	133,629
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804
Text services		
AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000
Computer services		
DBC/MarketWatch	462	9,200,000
X*Press Executive	487	14,000
X*Press X*Change	487	14,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Consumer Classified Ad Network	3	195,900
Fuji Network	3	12,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000
Pay services		
Nippon Golden Network	5	13,600

Interactive services

Basic services	Affiliates	Subscribers
Video Jukebox Network	20	1,870,000

Regional services

Basic services	Affiliates	Subscribers
Arizona Sports Programming Network	N.A.	210,000
Atlanta Interfaith	7	180,000
Bay Area Religious Channel	6	113,000
Cable TV Network of New Jersey	31	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,200,000
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,400,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	594,000
Niagara Frontier Sports Network	13	800,000
Northwest Cable Sports Network	3	700,000
Pennarama	28	750,000
Prime Cable	9	381,938
Prime Sports Network	11	300,000
Prime Ticket	115	3,500,000
SportsChannel (Chicago)	50	1,507,270
SportsChannel (Ohio)	2	280,000
Sunshine Network	200	2,310,000
Pay services		
Home Sports Entertainment	250	1,000,000
Home Team Sports	125	1,200,000
New England Sports Network	171	317,201
Prism	87	427,000
Pro-Am Sports	173	523,000
SportsChannel (Florida)	22	650,000
SportsChannel (Los Angeles)	76	125,000
SportsChannel (New England)	154	1,028,431
SportsChannel (New York)	100	1,300,000

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats. 345 Park Avenue South, 9th Floor, New York, NY 10010.

N/A denotes information not available.

***Includes MMDS and SMATV systems**

****Count represents standalone affiliates/subscribers; portions of SC America are carried on Home Team Sports and the SportsChannel family of regional services.**

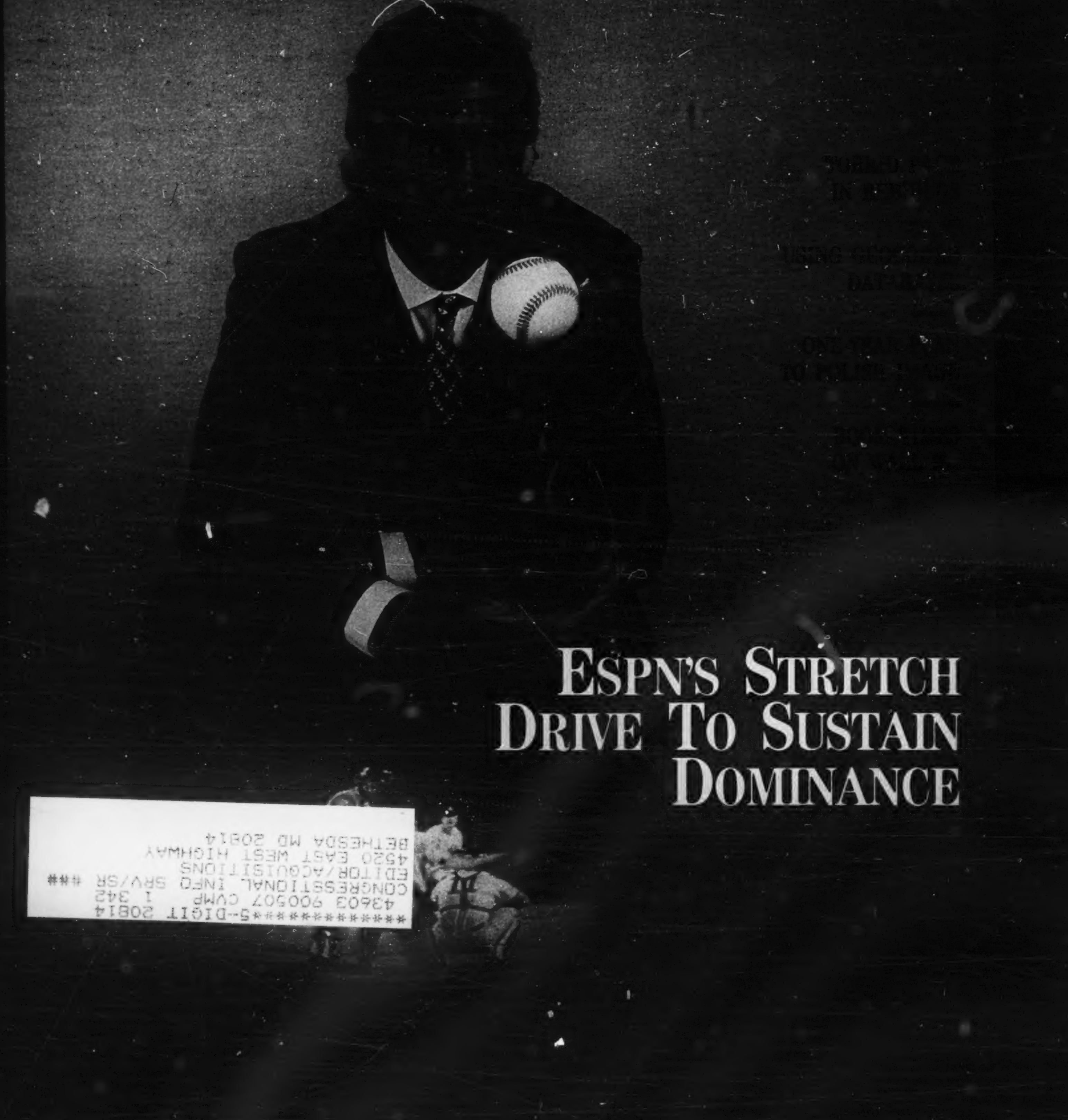
*****Spanish-speaking households.**

Announced services

Satellite-fed services	Expected launch
American Western Network	1st Quarter 1990
The Asia Network	8/89
Career Channel Network	10/89
CD-16 The Digital Music Network	4th Quarter 1989
The Computer Channel	9/89
Digital Cable Radio	4th Quarter 1989
Digital Radio Channel	4th Quarter 1989
The Gaming Network	4th Quarter 1989
The Global Channel	1st Quarter 1990
HA! TV Comedy Network (MTV)	4/90
HBO Comedy Channel	11/89
The How-To Channel	2nd Quarter 1990
Interactive Game Network	3rd Quarter 1989
Kids Information Network	3rd Quarter 1989
The Landscape Channel	3rd Quarter 1989
Maximum Entertainment Network	9/89
Mizlou Sports News Network	11/89
Music Image Channel	11/89
Prime Network	4th Quarter 1989
QVC Network II	2/90
The Sci-Fi Channel	4th Quarter 1990
Spanish TV News Network	4th Quarter 1989
Talk Television	4th Quarter 1989
Non satellite-fed services	**Expected launch**
ACTV	4th Quarter 1989
Main Street	3rd Quarter 1989
On Demand/UTV TV Network	4th Quarter 1989

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT [illegible]



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INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT SEPT 11, 1989

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ABP BPA

To solve the PPV puzzle, cable must play technical and financial hardball

By Fred Dawson

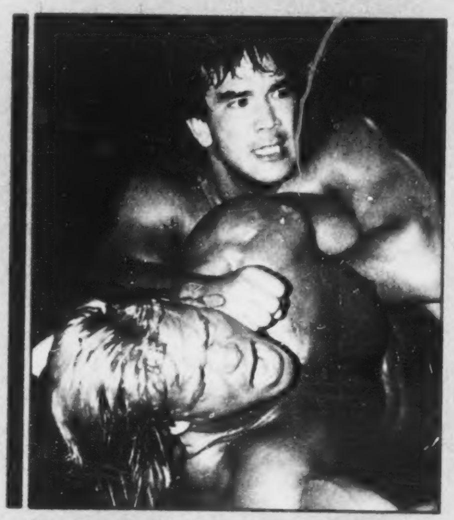
What ails pay per view?

Depending on whom you talk to, the perspective on PPV is either that it hasn't lived up to its promise, and may never, or that it's going through a gestation period where the promise is certain to be realized—it's just a matter of a little more time.

But there's no denying the obvious. After 10 years of talk and development, PPV is still a long way from fulfilling the rosy vision that embellished franchise proposals deposited with cities across the nation in the first part of this decade. Out of 50 million cabled households, between 34 million and 38 million, depending on whose estimates you cite, are inaccessible to pay-per-view services, which is to say, they're unaddressable.

Theories abound. It's the unfriendly set-top addressable box. It's Hollywood's lack of cooperation. It's the operational hassles of order taking, billing and continuous marketing. It's the low margin.

But one thing is for certain. PPV's slow takeoff is not a function of public indifference to on-demand motion picture viewing in the home. With PPV hovering around the $180 million annual revenue mark, total revenues for sales and rentals of movie cassettes are expected to hit $9 billion this year, according to an estimate by the Video Software Dealers Association, outstripping both pay TV and box office receipts.



Operators could lose to home video now—and telcos later—if they don't grip PPV's potential, like these *Halloween Havoc* wrestlers

But in some cable operators' eyes, the success of home video only points to the futility of the electronic video store agenda. To the die-hard naysayers who never did believe PPV had anything to offer, including some of the most powerful MSO executives, the present state of affairs should be the final word on the subject. It didn't pan out, and it never will. "Unless you're stuck with a foolish decision made early on," says John Sie, senior vice president at TCI, "it's not an economical business. You must look at the bottom line, because this is a pretty transactional business."

But to a swelling contingent of system managers, marketing executives, hardware vendors, programming suppliers, impresarios and—who knows?—maybe even customers, PPV has reached the point of critical mass, where a combination of many factors, each with its own gathering momentum, will push PPV to fulfillment at the leading edge of the '90s era in television entertainment, no matter what the naysayers do or don't do.

One such realist—they don't think of themselves as visionaries—is Hal Krisbergh, president of the Jerrold Division of General Instrument Corp. While Krisbergh, who oversaw the startup of Cable Video Store in 1985, acknowledges that PPV has

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Editor's Note: Due to a printing error, one page of this article was dropped from the Aug. 28 issue. It is herewith printed in its entirety.

Pay-Per-Viewpoints

'Unless you're stuck with a foolish decision made early on, it's not an economical business. You must look at the bottom line, because this is a pretty transactional business.'

— John Sie, senior vice president of TCI

'It's very clear that PPV is moving at 90 miles per hour. Everyone is looking at it. It's not just another movie service. It's event programming, it's concerts, it's boxing, it's Playboy, it's the *Moscow Peace* concert. There's no one I know who doesn't believe in it. Even John Sie believes event PPV is a business.'

— Hal Krisbergh, president of the Jerrold Division of General Instrument Corp.

'We like the business, and it makes us a lot of money.'

— Lowell Hussey, Warner Cable senior vice president for sales, marketing and programming

'What we've found is that much of the PPV success is due to pre-sold events because people already know about them. If we watch our marketing budget, PPV is a money-maker for us. But (in movies) we're getting all re-runs and there's not much sizzle left after first running. You look at movies as purely an alternative to events and you must be very cost-effective with your marketing budget for one movie.'

— Susan Yee, vice president of Twin County Transvideo in Northampton, Pa., which boasts one of the longest-running PPV businesses in the industry

■

'We could sell a lot of these (off-premises) units. Operators are clamoring for off-premises gear. But we're holding back until we're confident the product is as good as it can be.'

— David Fellows, Scientific-Atlanta vice president of distribution products

■

reached critical mass about a year later than he anticipated, the fact that the moment has arrived ensures PPV is headed for high orbit.

"It's very clear that PPV is moving at 90 miles per hour," he said. "Everyone is looking at it. It's not just another movie service. It's event programming, it's concerts, it's boxing, it's Playboy, it's the *Moscow Peace* concert. There is no one I know who doesn't believe in it. Even John Sie believes event PPV is a business."

Indeed, of late the event phenomenon has been crucial to the current of optimism, such as it is, that surrounds PPV. No greater testament to the faith in event potential to drive PPV can be found than that of the managers of Cox Cable's San Diego operation, where $20 million is being spent on 180,000 new Pioneer addressable converters against a backdrop of dwindling revenues for motion picture PPV.

The last thing the industry should have PPV concerns over is addressability approaches, says Jerrold President Hal Krisbergh

■

Cox, which has been in the PPV business in San Diego for most of this decade, reports overall revenues have reached $32 per year per addressable subscriber, with the ratio of PPV to pay revenues in addressable homes now at $1:$5, versus $1:$20 five years ago. But recently the ongoing PPV surge has been tied to special events, baseball and adult films, with standard motion picture fare dropping from a peak of $7.10 per addressable sub in 1987 to $4.75 this year.

In a presentation of these figures at a symposium on PPV sponsored by QVP Publishing Inc. and reported in *Variety* on Aug. 10, Cox's vice president of marketing for the San Diego system, Art Reynolds, excoriated the motion picture studios for doing a "superb job of screwing up the PPV movie business." With the various boycotts by major studios of some satellite-delivered and, even, standalone PPV services and a general lengthening of windows between home video distribution and PPV release to an average of over 50 days, Reynolds is not alone in citing Hollywood as the PPV spoiler.

To Marvin Jones, president and CEO of UAE Cablesystems, the movie issue is a life or death one for PPV. "The studios are careful," he says. "They don't want to hurt videocassette rentals, and right now they give PPV somewhat of a chance. I think the window issue will make or break PPV. If we can't get the windows changed, it won't work out."

Maybe not. But there are many operators with film-based PPV up and running who, while acknowledging the studios are making life difficult, see no reason to panic. Lowell Hussey, Warner Cable's senior vice president for sales, marketing and programming, when asked why his company has gone from a PPV base of two or three systems in 1978 to offering it in virtually all systems on an addressable foundation of 800,000 subscribers, comments, "We like the business, and it makes us a lot of money."

There's no magic to Warner's approach—just one Request channel and one Viewer's Choice plus a barker channel shapes most of the PPV operations. But the business is on a fast growth curve in Hussey's estimation, having gone from about $15 per addressable sub per year two years ago to $30 today and headed for $36 next year and "the low 40s" two years from now.

Telecable, too, has made a business of PPV, no frills, straight off the satellite, selling into an addressable universe that represents 70 percent of its 580,000-

subscriber base. According to Charles Kennamer, engineering manager of addressable technology, the goal from the start was to create a smooth, easy-to-run business. It took trial and error to get to a relatively hassle-free, ANI-based operation, but, today, Kennamer says, "We're happy with it. We've got it running, and now we can kick back and hope it continues to generate some revenues."

But unlike Hussey, Kennamer doesn't see major growth ahead for the two Viewer's Choice/one barker channel combo that comprises Telecable's PPV operations. "From the outset, we positioned this as a relatively small incremental business," he says. In fact, he adds, it would be a much harder choice to go into PPV if Telecable hadn't built an addressable base of Zenith converters starting in the early '80s.

Indeed, what is a hassle-free, incremental business in the operational milieu of one MSO is a conundrum of low-return, time-consuming fits and starts for another. At Continental Cablevision, Programming VP Ted Livingston views PPV as three separate businesses—boxing and wrestling, smaller events and movies—where the latter two of the three are struggling. "Frankly, it's been disappointing," he comments. "We haven't gotten the movies we feel we should have. The operators tend to be enthusiastic at first, but when results don't measure up, they get discouraged. The studios are not taking steps to invest in PPV. They are being strongly influenced by video store people. We have a ways to go with PPV and need some good experiences."

Nevertheless, there is another side of the coin, as Livingston acknowledges. "It's probably fair to say that the cable industry could make a more concerted effort with PPV," he says, noting, for example, that "what TCI says carries a lot of weight, especially if they say PPV is a questionable revenue stream."

If, as JoAnne Abbey, ATC's director of marketing, contends, "the costs of addressability continue to be very high and its growth the next five years will lag significantly behind VCR growth," how much blame can cable operators lay at the feet of Hollywood for the studios' swing toward greater support for home video? There's no better bellwether around than ATC when it comes to marking which falls off the PPV fence first, the chicken or the egg. "Our policy has been to roll out addressability at a moderate rate and not go fully forward," Abbey says. "Operationally, our systems have been slow to implement new automation until the market demands it."

According to informed sources, the second-ranking MSO will be moving even more slowly in the immediate future, owing to a decision to peg expansion of addressability to development of off-premises technology. "You don't have much sympathy for PPV at the top there," notes one close observer of ATC's thinking. "(Chairman and CEO Joe) Collins has an outspoken history of opposition to the concept. The position now seems to be, 'Show me a distribution approach that works, and maybe we'll go for it.'"

In a paper written for a technical session at the NCTA convention in Dallas this past May, ATC's James Chiddix, senior vice president of engineering, and David Pangrac, director of technological development, offer this insight into their company's thinking:

"The original dream of addressability encompassed automated delivery of multi-pay and pay-per-view, operating savings from reduced truck rolls, reduced converter losses, and the ability to market more flexibly. In retrospect, we see a number of unanticipated problems. Addressability introduced additional layers of complexity to virtually all operational aspects of our systems, and there were varying degrees of success in coping with this...."

But, if ATC's experience makes it wary of addressability, its sensitivity to potential trends in television distribution have kept the door ajar on the technology. "The experience of a number of operators indicates that there is additional revenue available from pay-per-view, although the magnitude remains unclear," the two engineering executives say. "In addition, our most likely long-term competitors, who will employ direct broadcast satellites and switched telco delivery systems, may well be capable of pay-per-view delivery to all of their subscribers. Thus, to the extent that pay-per-view offers things that

'From the outset, we positioned this as a relatively small incremental business. We're happy with it. We've got it running, and now we can kick back and hope it continues to generate some revenues.'

— Charles Kennamer, Telecable engineering manager of addressable technology

■

'We keep looking at (off-premises addressability). The concept sounds great, but, first of all, we wonder how, given the costs involved, this is going to cut into the existing base of boxes. And there are other things that hurt off-premises, such as the placement of active electronics out in the environment, the cost of adding ports to households that never subscribe and the fact that current interdiction systems are limited to 300 MHz.'

— Vito Brugliera, marketing vice president for Zenith's Cable Products Division

■

> 'I think PPV in the last year has really started to take off. When we began these services, the people we talked to were system managers. Now we're talking to MSO managers about large-scale contracts.'
>
> *— Catherine Kinney, product manager for Ameritech's CATV Order Entry business*

■

> 'Frankly, it's been disappointing. We haven't gotten the movies we feel we should have. The operators tend to be enthusiastic at first, but when results don't measure up, they get discouraged. The studios are not taking steps to invest in PPV. They are being strongly influenced by video store people. We have a ways to go with PPV and need some good experiences.'
>
> *— Ted Livingston, Continental Cablevision vice president of programming*

■

consumers want, our moving away from addressable technology may put us at a competitive disadvantage."

In suggesting that off-premises addressability might be the answer, ATC executives are part of a growing consensus that the time has come to rethink to-the-home distribution topology, no matter what disasters such thinking has led to in the past.

To succeed, engineers note, off-premises technology must deliver all channels that the home is authorized to receive in broadband, unscrambled format compatible with cable-ready sets and VCRs. Whatever the process of signal selection, whether its interdiction of unauthorized signals via frequency agile oscillators at the tap or automated positive and negative trapping in a wall-mounted unit outside the home, the process must be simple, well protected from the environment and easy and inexpensive to power.

PPV UNIVERSE GROWTH

Year	PPV-Cable Homes
1986	10.3 million
1987	11.5 million
1988	14.0 million
1989	16.9 million
1990 (forecast)	20.3 million
1995 (forecast)	40.5 million

Source: Paul Kagan Associates

This is a tall order, and, so far, the industry is a long way from meeting it. Jerrold has been working closely with TCI in its efforts to develop a house-mounted trapping system, and, according to Krisbergh, a product is six months or more away. Scientific-Atlanta is installing the first field test units, in the Warner Cable system in Williamsburg, Va., and, according to David Fellows, vice president of distribution products at S-A, it will be a year or more before the system is ready for mass production. "We could sell a lot of these units," Fellows says. "Operators are clamoring for off-premises gear. But we're holding back until we're confident the product is as good as it can be."

According to Rob Moel, project manager for the test in Williamsburg, a key potential advantage of off-premises technology is the ability to sell PPV to non-subscribers. The Warner strategy is to begin "hard wiring" homes so that, once in, a drop is left in, no matter whether residents continue to subscribe. Permanent installation has the advantage of affording better protection for drop cable and connections and allowing non-subscribers the option to occasionally order PPV services without signing up for basic.

The off-premises test will run for a year, Moel says, and involves 250 of the system's 2,500 subscribing households. If it passes muster, Warner intends to move forward with an aggressive installation strategy companywide. In Hussey's opinion, this could spring PPV loose to the next level, where more channels would be allocated and new types of services, such as HDTV, could be introduced. "When HDTV comes along," notes Moel, "there will not be any impedance to putting it on as a PPV service, using this technology."

But such flexibility and expandability depend on the robustness and reach of the interdiction technology developed by S-A. A key question, Moel notes, is how much bandwidth will be available for addressable channels. Right now the system doesn't operate across the full 550 MHz spectrum, he says, and this could be a drawback to adding new services on top of existing channels once lineups are in place.

Clearly, there is growing interest in the potential of off-premises distribution systems to put PPV on track. But just as clearly there's an impatience with those who see it as the all-or-nothing panacea. "The boxes are a problem, no doubt about it," Hussey says. "But the subscriber is willing to live with the problem, because that's the only way he gets what addressability provides right now. Every year, 10 percent of the subscriber base is being upgraded. If you're rebuilding, to not go addressable for the tiny increment it costs you makes no sense."

In Hussey's view the industry must move now to build its PPV universe, because PPV and advertising sales represent the key growth areas for a business that is beginning to mature on the basic penetration front. "My personal feeling is that there is very strong evidence of a flattening in subscription pay business now, as well as a sensitivity to further advances in basic rates. Basic penetration is vibrant, but can we maintain the growth curve we've had in the past? This is an industry that has accustomed itself to growth, and I don't think we'll see the kind of growth the industry wants by relying on the additional increment that we can continue to eek out of basic."

Vito Brugliera, marketing vice president for Zenith's Cable Products Division, provides another reason why waiting for off-premises addressability to drive PPV may not be the smart thing to do. In his estimation, off-premises may not be the next answer on the horizon. "We keep looking at it," he says. "The concept sounds great, but, first of all, we wonder how, given the costs involved, this is going to cut into the existing base of boxes. And there are other things that hurt off-premises, such as the placement of active electronics out in the environment, the cost of adding ports to households that never subscribe and the fact that current interdiction systems are limited to 300 MHz."

Factored against such considerations, Brugliera says, are the near-term positive trends in set-top technology, including falling prices and the emergence of the IS-15 MultiPort standard, which can make the converter transparent to other equipment. "MultiPort is extremely friendly to the consumer," he notes. "We'll be installing MultiPort modules in over 1,000 boxes for testing in cable systems run by Centel, Viacom and Telecable in the next six months to a year."

Brugliera also notes that PPV ordering technology has matured to the point that operators can have their pick of approaches to fit their marketing schemes. "We are not hung up on one technology," he says, pointing out that the range of Zenith ordering products includes a proprietary ANI system, store and forward and full two-way. A big step forward, he says, has been adoption of a new data processing architecture which has "cut access to subscriber records to microseconds," because the data is stored in the active memory of 386-based PCs. Heretofore, he notes, "you had to go through the management system to get the information on the subscriber's status, and then to the controller to log the distribution order."

In Hal Krisbergh's opinion, the last thing the industry needs is to get hung up on is the best approach to addressability. "The key for us is we have the basic encryption and addressable technology to employ however the customer wants it to go. It's all the same to me. What the success of addressability to date has done is provide us with the resources to develop alternative approaches, and that's what we're doing."

To the cable operator who chooses to look a little into the future, the advice offered by Hussey, Brugliera and Krisbergh may be well worth thinking about. The telco vision of the electronic video store, with hundreds of movie titles accessable at the touch of a button, might be as blue sky today as PPV was in 1980, but technology and telecommunications services are moving ahead to the point that less visionary competitors to cable may have a shot at PPV much sooner than the telcos. In fact, it is the telcos who are helping to open such an opportunity through the rapid spread of ANI (automated number identification) services.

Bell Atlantic recently announced it was filing tariffs for CATV PPV order taking services in five states, following successful testing of such services with six cable companies. Ameritech already has tariffed PPV ordering services up and running in its Bell operating territories. And most other major telcos as well as AT&T are getting into the business.

According to Catherine Kinney, product manager for Ameritech's CATV Order Entry business, the growth of the service, priced at between 16 cents and 25 cents per call, has been slow so far. But she sees signs of rapid change. "I think PPV in the last year has really started to take off," she comments. "When we began these services, the people we talked to were system managers. Now we're talking to MSO managers about large-scale contracts."

Kinney says Ameritech sees a major

> 'The costs of addressability continue to be very high and its growth the next five years will lag significantly behind VCR growth. Our policy has been to roll out addressability at a moderate rate and not go fully forward. Operationally, our systems have been slow to implement new automation until the market demands it.'
>
> *— JoAnne Abbey, ATC director of marketing*

■

> 'We still feel PPV will be an important revenue stream, particularly if we're reregulated. TCI won't tell us to do it or not. They'll let us make that decision and monitor its success, but they're just not ready to commit the capital until they have proof that PPV is a business.'
>
> *— Fred Vierra, president and COO of UA Entertainment*

■

> 'The studios are careful. They don't want to hurt videocassette rentals, and right now they give PPV somewhat of a chance. I think the window issue will make or break PPV. If we can't get the windows changed, it won't work out.'
>
> *— Marvin Jones, president and CEO of UAE Cablesystems*

■

> 'The size of the addressable base right now gives the cable industry the ability to compete effectively against the broadcast networks for blockbuster events. With a buy rate of well under 8 percent, at a price of about $15 for the event, the base is large enough to secure the top events in sports.'
>
> *— Hal Krisbergh*

■

opportunity for ANI in the cable business, extending beyond PPV to the whole range of cable system interaction with customers. "The ability to use ANI to identify the calling party opens many possibilities," she says. Calls can be routed automatically, records for CSRs can be called up automatically, etc. In Ameritech's view, the PPV ordering process will be ever easier from an operational standpoint as the rest of the cable system's marketing and service operations are tied to automated call processing systems.

ANI isn't for everyone, of course, although some cable firms looking for low-capital intensive, low-personnel intensive approaches to PPV swear by it. "We're using ANI in 100 percent of our systems," says Telecable's Charles Kennamer. "It's working just fine, so we don't have any plans to change it." Cablevision Systems Corp., on the other hand, has tried it but doesn't cotton to it, says Al Johnson, director of technical operations. "Too often, the TV set is too far away from the phone jack, which means you have to install a jack or run extra cord through the house," he comments. Instead, the MSO, with over half of its subscriber base now addressable, relies on CSRs, ARUs and, in the case of the two-way plant in Brooklyn and Queens, Jerrold's Starview.

But ANI is sufficiently strong to have fostered development of specific products for CATV by a growing number of telcos, and this represents both an opportunity and a challenge to the cable industry. For the more ANI is out there, the easier it is going to be for anyone with a television signal to get into PPV.

One facilitator of this possibility is Larry Shultz, president of TickeTV, the Los Angeles-based marketer of the low-cost addressable technology developed by International Telesystems. Offering boxes at $5 to $15 per unit and "tickets," domino-size wafers employing a coded quartz filter for positive trapping that will cost about $2 each, TickeTV is hoping to break the cable TV PPV bottleneck by gaining broadcaster and cable operator cooperation in establishing a vast base for PPV event sales. "This is a new generation trap which, by using a laser beam shaped less than 500 Hz wide, allows us the option of over 7,000 combinations of interference paths," Shultz says. "It's not easy to defeat." Noting the growing appeal of PPV distribution to distributors of everything from 3-D movies to video games, Shultz asks, "Why wouldn't people get into the habit of going to their local convenience stores and buying a ticket?"

No one among the top MSO executives has given more support to PPV than Fred Vierra, president and COO of UA Entertainment, parent to UAE Cablesystems, which is the merged conglomerate of United, UA and Daniels cable systems now 52 percent owned by TCI. But he has to convince UAE Chairman Stewart Blair, a reputed skeptic, and the TCI hierarchy as well that the largely addressable base of the United Cable group is a model on which to build the giant MSO's future.

Showtime Event TV brought The Greatful Dead back to event PPV last month

■

"We still feel PPV will be an important revenue stream, particularly if we're reregulated," Vierra says. "TCI won't tell us to do it or not. They'll let us make that decision and monitor its success, but they're just not ready to commit the capital until they have proof that PPV is a business."

Given the current pace of developments in PPV, that proof may not be long in coming.

—Craig Kuhl contributed to this article

Cable stocks will be hard pressed to continue outperforming the Dow

◆

By Robert O'Brien

MSO/PROGRAMMER STOCK PERFORMANCE

Company	8/11/88 Price	8/11/89 Price	Change
Time Inc.*	$97.13	142.88	$ +45.75
Turner Broadcasting	16.00	60.75	+44.75
Warner Communications*	33.50	67.50	+34.00
Multimedia	73.75	106.50	+32.75
Viacom	26.50	57.50	+31.00
Centel Cable	23.25	45.25	+22.00
Tele-Communications Inc.	21.13	37.50	+16.37
ATC	23.75	37.50	+13.75
Cablevision Systems	34.38	46.00	+11.62
Comcast	14.88	25.88	+11.00
QVC Network	9.86	20.25	+10.39
Times Mirror	30.38	40.63	+10.25
Adelphia Communications	19.50	28.50	+ 9.00
Cable Value Network	12.63	20.13	+ 7.50
Acton	13.13	20.13	+ 7.00
Century Communications	18.38	22.25	+ 3.87
Falcon Cable TV	19.88	20.50	+ .62
Home Shopping Network	3.50	3.63	+ .13
Financial News Network	7.00	6.88	- .12
UA	29.00	22.12	- 6.87
TCA Cable	31.50	20.00	- 11.50

* Stock values reflect pre-Time Warner merger

Wall Street's boom in early August, when the Dow Jones Industrial Index hit an all-time high, was said to been caused by small investors returning to the market for the first time since the '87 crash. Experts said the rise indicated that the financial community finally had shaken off Black Monday's lingering effects.

Analysts who follow the cable industry said some of the same factors that drove the overall market, principally the desire to cash in on prospective takeovers, have driven cable stocks to a level where they are outperforming even the robust Dow index.

Cable stocks, which declined to record lows this time last year, rose spectacularly through the close of 1988, and rode through the first half of this year on the shoulders of rumored takeovers and the possibility of further industry consolidation.

While the larger market remains volatile, cable stocks have stabilized. Analysts agree that the fundamentals of the business remain strong, and have forecast continuing appreciation for long-term investments, but Wall Street has reserved recommendations for short-term plays, saying that cable stock values—particularly for cable operators—are likely to perform with the market for the remainder of the year.

The appreciation in stock values comes against an especially vibrant backdrop. The Dow reached a record high of over 2,700 points just a day before it would have celebrated the second anniversary of the previous record. The similarities to the climate that led to the cataclysmic collapse of the stock market in October 1987 were striking, but, analysts reassured, differences were visible.

Back in 1987, Wall Street seemed to affirm that cable was recession-proof, and its stream of revenues predictable, an analysis that tended to deflect any concerns that the underlying value of cable systems and operations would erode.

But by the middle of last year, fears that interest rates would rise, and drag down the private market value of cable operations, coupled with concerns specific to the industry, began to winnow stock values.

On top of the concerns over interest rates, calls for reregulation—fueled by charges that cable operators were monopolists who gouged consumers with insupportable price increases—raced through Washington. Telephone companies, already anxious to eliminate restrictions to their entry into information and video service provision, used the opportunity to press their claims on lawmakers, while simultaneously implementing network construction plans that would enhance video delivery capabilities.

The threats rattled Wall Street's optimism for cable operations, and stock values began to fall. Halfway through 1988, an index of cable stocks stood at 1,600 points,

HARDWARE VENDOR STOCK PERFORMANCE

Company	8/11/88 Price	8/11/89 Price	Change
Pioneer Electronics	$53.25	$61.50	$+8.25
Scientific-Atlanta	13.63	19.50	+5.87
C-Cor Electronics	8.00	13.75	+5.75
General Instrument	30.00	33.38	+3.38
Augat	12.38	14.38	+2.00
Oak Communications	1.00	1.38	+ .38
RMS Electronics	2.00	1.25	- .75
Wavetek	5.75	5.00	- .75
Pico Products	2.00	1.13	- .87

while the Dow Index was out of sight at nearly 2,100.

By mid-summer, cable stocks were languishing. From early July, when the index of cable stocks dipped below 1,600 points for the first time, cable stocks underperformed in comparison to the Dow. Industry leaders like Tele-Communications Inc., trading at $21 a share, and American Television & Communications, at $25 a share, were trading at a fraction of the estimated breakup value of their operations.

At the same time, cable equipment manufacturers and distributors were just turning the corner after an extended period of moribund sales, and cable programmers had yet to receive what would later be seen as their due on Wall Street.

Yet throughout the period, analysts said, the values of cable systems continued to remain strong. Despite expectations that system sales prices would level off as a result of consolidation and constraints on the growth of subscriber revenues, the system marketplace remained brisk. Large system sales, including the sale of the New York Times system in New Jersey and the Viacom system on Long Island, evidenced the continued strength of the cable market, and focused investor attention on the breakup values of cable operations.

By year-end '88, cable stocks had closed the gap on market performance, and through the first half of 1989, stayed with the market as it climbed.

According to Ken Goldman, an analyst at Hanifen Imhoff Inc., an index of 10 cable operating company stocks is up 43.6 percent, almost twice the level of increase of the S&P 500, and a significant improvement over the 27 percent increase the cable industry registered in 1988.

Cable operators have managed to stem concerns that haunted the industry last year. Dennis McAlpine, an analyst at Oppenheimer & Co. Inc., said the widespread fear that the General Accounting Office's report on cable rate increases would uphold charges that the industry is monopolistic did not pan out.

"As is often the case, the anticipation is worse than the reality," McAlpine noted.

At the same time, the other persistent threat, from telco entry into the cable business, failed to materialize as promised. Despite bids by the National Telecommunications & Information Administration and by the Federal Communications Commission last year to ease restrictions on the former Bell Operating Companies, District Court Judge Harold Greene has stood firm on his determination to maintain prohibitions against telco provision of information or video services. The telcos have emerged neither as buyers of cable systems (with the exception of PacTel's equity position with Prime Cable in the purchase of Group W Cable in Chicago, which Greene has yet to approve) nor as an alternative service provider.

"The issues have been out on the table for a long enough time to have been discounted by the market," said Goldman. "I don't think any of the reregulation or telco talk surprises anyone on my side of the table. Right now, it's all been somewhat digested."

Then, too, analysts noted, concerns over interest rates have been erased. Capital for expansion and acquisitions has been as available as at any time in the industry's history, and trading through the first half of 1989 was as brisk as it was a year ago. In fact, 1988's total of $8 billion in system trading is likely to be surpassed in 1989, even though some deals—notably Telecable's stillborn effort to sell its top-25 system operation—disappeared from the market.

The evaporation of the cable industry's trouble spots has translated into stock increases almost across the board. At least nine publicly traded cable companies hit all-time highs for stock values during August. While some of those companies—including programmers like QVC and CVN, which are scheduled to merge—have those appreciations tied to one-time-only deals, others have advanced their stock value on the basis of operations.

Multimedia Inc., a programming producer and operator with more than 320,000 subscribers, established a record stock price of $106 a share in August, an increase of 32 points over its trading price on the same date a year ago, and more than

37 points higher than its 52-week low.

C-TEC Corp., a cable operator, currently is trading at more than twice its 52-week low figure, while Adelphia Communications, an active buyer of cable systems, reached a record high of $28.50 in August, an increase of nine points over a year ago and more than 20 points higher than its 52-week low.

Even operators who dove aggressively into the acquisitions market have garnered the support of Wall Street. Cablevision Systems, for example, shook off pressure from its $2,700-a-subscriber acquisition of Viacom's Long Island system, and is now trading at $46, more than 16 points higher than its 52-week low.

The reasons for the resiliency of the cable stock market, analysts said, was the soundness of the underlying fundamentals. According to a report prepared by Kenneth Berents, an analyst with Butcher & Singer, cable revenue is expected to climb by 14 percent in 1989, with more than half of that figure coming from basic service fees. An additional $1.7 billion should come from cable advertising, with growth from that revenue segment expected to rise through the early part of the next decade.

The contributions from basic service are significant, Berents pointed out, because that segment of the industry is growing faster than pay services, and because basic services are a more important contributor to operators' bottom lines.

Where operators return about half of the fees they garner from pay services to the programmers, operators keep about 85 percent of basic service fees. With the average monthly basic cable bill at $14.60 in 1989, operators are pulling a sizable chunk of revenue from what, at five percent increases per year, has been the fastest-growing segment of the cable industry.

As much as that performance has meant to operators, it has meant more to programmers and hardware manufacturers and distributors.

In fact, analysts agree that operator's stocks have run into the upper limits of their prospective appreciation. Hanifen Imhoff's Goldman said, "In general, I'm neutral toward the cable group because I feel the move has been more than healthy. The movement in stock prices through the first half of the year signals that a rest is due for this group of stocks. What we're saying is that we look at

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Hong Kong
Cable Communications Ltd.

a multi-national consortium comprised of

U S WEST — Denver
The Wharf (Holdings) Ltd. — Hong Kong
Sun Hung Kai Properties Ltd. — Hong Kong
Shaw Brothers Ltd. — Hong Kong
Coditel S.A. — Belgium

has been awarded broadcast and network licenses by the Hong Kong Government to provide Cable TV and telecommunications services to Hong Kong and the surrounding territories.

The undersigned assisted in the preparation of the franchise proposal and presentations to the Government and produced the packaging for both, in Hong Kong.

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the cable group as being a market performer over the next six to nine months."

On the other hand, said Oppenheimer's McAlpine, "The programming stocks have done extremely well," having benefited from a strong upfront advertising market (**see chart, page 80**). With shares of broadcast network viewing down considerably, the competitive position of cable programming services has been enhanced, and operators have shown an increasing willingness to support the efforts of programming expansion. At the same time, constraints on channel capacity at the operating level have made reliance on entrenched programming suppliers even more critical.

Turner Broadcasting Systems, for example, hit a record stock price of $60 in August, more than three times its year-earlier value of $16. Fueled by the success of its introduction of Turner Network Television last fall, and by the continued contribution of CNN and TBS, Turner posted its first quarterly profit in three years, a move that pushed its stock value to the record level.

The gains in TBS stocks were underscored by a recent transaction. In August, TCI boosted its stake in TBS by buying 500,000 shares of TBS stock that Ted Turner had put on the market in early July. TCI, locked in at the July price, paid just $38.75 a share for stocks that, on the purchase date, were trading at over $50 a share.

Meanwhile, Viacom Inc., another notable performer with programming interests, has undergone a similar run-up. Viacom shares, which traded as low as $10 after the '87 crash and were hitting a then-record $28 a share a year ago, jumped to $50 a share earlier this year.

The boost was fueled by rumors that Viacom might cut a deal with acquisition-hunting Paramount Communications. When the deal didn't come, Viacom's values were expected to wane. While a short-term downturn did materialize—exacerbated by Viacom's decision to sue Time Inc. and Home Box Office for alleged anticompetitive practices—Viacom's stock rebounded, and in August reached a new high of $59.50.

Similarly, hardware companies have rebounded from doldrums of last summer to perform nearly as well as programming interests. Two of the largest manufacturers, General Instrument and Scientific-Atlanta, each already had begun restructuring pro-

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August 1989

Vista Communications
Limited Partnership III

A limited partnership managed by
Vista Communications Inc.

$62,000,000
Debt & Equity

We served as advisors to Vista Communications Inc.
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DANIELS
&ASSOCIATES

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Financial Services to the Cable Industry.

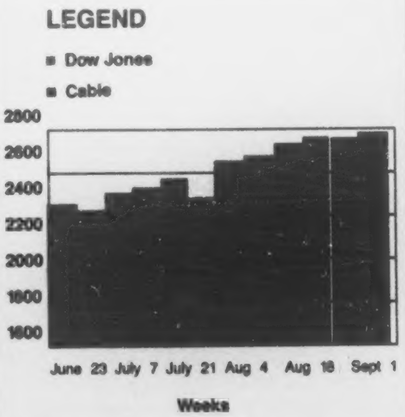
jects that focused the companies attentions on the broadband equipment market when experts predicted that 1989 would be a banner year for cable construction.

As a result, both companies saw rapid appreciation in their stock values. Scientific-Atlanta, which had been trading at $14 a share last year, is now verging on $20. General Instrument, which was trading in the low $20s, is now in the mid $30s.

And there may be more to come for hardware companies. An executive of General Instrument noted that the market has yet to respond to the company's recent repurchase of 20 percent of its outstanding shares, a move completed in August. And a spokesman for Scientific-Atlanta said that company's improvement has been tied more to its restructuring, and hasn't yet absorbed the benefits of the construction boom.

At the same time, expectations of continued trafficking in media properties has helped boost the stock values of cable companies thought to be in play. The home shopping services QVC and CVN, which agreed to merge in July, have each hit a record high around $20 a share.

CableVision Stock Index



Stock Market

EXCH	COMPANY	CLOSING QUOTE 08/11/89	CLOSING QUOTE 08/24/89	NET CHANGE IN PERIOD	PERCENT CHANGE IN PERIOD	P/E RATIO	ANNUAL DIV	ANNUAL YLD%	EARNINGS PER SHARE	52 WEEK HIGH	52 WEEK LOW
MSOs & PROGRAMMERS											
ASE	ACTON	20.13	19.75	0.38	-1.89	99	0.00	—	0.20	24.13	11.00
OTC	ADELPHIA COMM.	28.50	28.25	-0.25	-0.88	—	0.00	—		28.50	8.50
OTC	AMERICAN TELE & COMM.	37.50	49.25	11.75	31.33	—	0.00	—		53.25	21.75
ASE	CABLEVISION SYS (a)	46.00	44.25	-1.75	-3.80	—	0.00	—		47.25	29.75
OTC	C-TEC CORP	22.75	22.25	-0.50	-2.20	9	0.00	—	2.49	23.75	11.25
ASE	CENTURY COMMUNICATIONS	22.25	22.25	0.00	0.00	—	0.00	—		23.13	12.00
OTC	COMCAST	25.88	28.13	2.25	8.69	—	0.12	0.43		28.13	13.75
OTC	CVN	20.13	20.00	0.00	0.00	—	0.00	—		20.13	11.50
NYS	DISNEY(H)	116.00	117.25	1.25	1.08	27	0.48	0.41	4.35	117.25	60.00
ASE	FALCON	20.50	20.63	0.13	0.63	—	2.12	10.29		22.13	18.63
OTC	FINANCIAL NEWS NET.	6.88	7.00	0.12	1.74	30	0.00	—	0.23	10.50	5.13
ASE	GALAXY	25.38	24.75	-0.63	-2.48	83	1.30	5.25	0.30	25.38	17.00
ASE	HOME SHOPPING NETWORK	3.63	3.63	0.00	0.00	16	0.00	—	0.24	6.75	3.38
OTC	JONES INTERCABLE	19.25	18.50	-0.75	-3.90	—	0.00	—		19.25	11.00
ASE	JONES INTERCABLE INV	15.00	14.88	-0.12	-0.80	18	1.60	10.75	0.86	15.63	14.13
NYS	KNIGHT-RIDDER INC(H)	56.00	57.25	1.25	2.23	23	1.22	2.13	2.46	57.25	42.88
NYS	MCA	68.75	66.13	-2.62	-3.81	29	0.68	1.03	2.28	68.75	45.38
OTC	MEDIA GENERAL	37.75	37.88	0.13	0.34	22	0.40	1.06	1.74	40.50	33.25
OTC	MULTIMEDIA	106.50	105.00	-1.50	-1.41	83	0.00	—	1.27	106.50	69.00
OTC	NOSTALGIA CHANNEL	2.13	2.25	0.12	5.63	—	0.00	—		8.00	0.50
ASE	NEW YORK TIMES	32.38	33.00	0.62	1.91	16	0.48	1.45	2.02	34.75	24.38
NYS	PLAYBOY ENTERPRISES	14.00	14.38	0.38	2.71	96	0.00	—	0.15	14.88	12.13
OTC	QVC	20.25	19.88	-0.37	-1.83	—	0.10	0.50		20.25	8.00
OTC	SCRIPPS HOWARD BRDCST	75.00	75.00	0.00	0.00	—	1.00	1.33		85.00	57.50
OTC	TCA CABLE TV	20.00	18.88	-1.12	-5.60	37	0.40	2.12	0.51	20.75	28.50
OTC	TELE-COMMUNICATIONS	37.50	38.13	0.63	1.68	—	0.00	—		38.75	20.38
NYS	TIME INC.	142.88	140.38	-2.50	-1.75	28	1.00	0.71	4.98	182.75	100.63
NYS	TIMES MIRROR	40.63	42.00	1.37	3.37	17	1.00	2.38	2.53	46.00	32.38
NYS	TRIBUNE CO.	58.75	60.25	1.50	2.55	21	0.88	1.46	2.86	61.63	38.38
ASE	TURNER BROADCASTING	60.75	53.63	-7.12	-11.72	—	0.00	—		60.75	17.00
OTC	UNITED ARTISTS ENTER.	22.13	21.88	-0.25	-1.13	37	0.00	—	0.59	22.13	14.75
ASE	VIACOM	57.50	56.75	-0.75	-1.30	—	0.00	—		59.50	30.50
NYS	WARNER COMM.	67.50	64.88	-2.62	-3.88	24	0.68	1.05	2.86	67.50	36.38
OTC	WASHINGTON POST BRDCST	289.13	287.75	-1.38	-0.48	12	1.86	0.65	24.52	289.50	204.00
OTC	WESTMARC	29.25	29.38	0.13	0.44	37	0.00	—	0.79	30.75	16.50
SERVICE & FINANCIAL COMPANIES											
OTC	BURNUP & SIMS	21.63	20.00	-1.63	-7.54	43	0.00	—	0.46	24.63 ·	13.00
NYS	CAPITAL CITIES	518.13	507.50	-10.63	-2.05	23	0.20	0.04	22.48	530.50	304.50
NYS	PARAMOUNT	61.13	58.50	-2.63	-4.30	21	1.40	2.39	2.85	63.25	38.50
MANUFACTURERS & DISTRIBUTORS											
OTC	ARTEL (H)	6.63	8.13	1.50	22.62	—	0.00	—		8.13	1.50
NYS	ARVIN	20.38	20.75	0.37	1.82	15	0.68	3.28	1.41	28.75	17.63
NYS	AUGAT	14.38	14.00	-0.38	-2.64	25	0.40	2.86	0.57	15.38	10.50
OTC	CABLE EXCHANGE	0.88	0.88	0.00	0.00	—	0.00	—		5.38	0.88
OTC	C-COR ELECTRONICS	13.75	12.75	-1.00	-7.27	21	0.00	—	0.60	18.50	3.75
NYS	CONTEL CORP.	63.75	63.50	-0.25	-0.39	115	2.20	3.46	0.56	65.75	32.00
OTC	GANDALF TECH.	6.50	6.00	-0.50	-7.69	9	0.00	—	0.64	7.75	3.88
NYS	GENERAL INSTRUMENT	33.38	31.75	-1.63	-4.88	12	0.50	1.57	2.55	37.25	21.25
OTC	GRAPHIC SCANNING	11.25	11.13	-0.12	-1.07	9	0.00	—	1.24	12.00	5.75
NYS	HARRIS CORP.	33.88	34.88	1.00	2.95	13	0.88	2.52	2.74	36.00	25.00
NYS	M/A-COM	7.25	7.13	-0.12	-1.66	13	0.24	3.37	0.53	9.25	7.50
NYS	OAK INDUSTRIES	1.38	1.38	0.00	0.00	12	0.00	—	0.12	1.88	0.75
ASE	PICO PRODUCTS	1.13	1.13	0.00	0.00	—	0.00	—		2.75	1.25
NYS	PIONEER ELECTRONICS	61.50	61.50	0.00	0.00	42	0.16	0.26	1.47	61.50	46.50
OTC	RADIATION SYSTEMS	9.63	10.38	0.75	7.79	14	0.10	0.96	0.73	10.38	7.00
ASE	RMS INTERNATIONAL	1.25	1.25	0.00	0.00	31	0.00	—	0.04	2.50	1.63
NYS	SCIENTIFIC-ATLANTA	19.50	20.50	1.00	5.13	16	0.12	0.59	1.41	20.50	12.63
OTC	WEGENER(H)	3.50	3.63	0.13	3.71	363	0.00	—	0.01	3.63	3.25
NYS	TEKTRONIX	22.25	21.63	-0.62	-2.79	120	0.60	2.77	0.18	24.25	20.25
NYS	VARIAN ASSOCIATES	27.50	27.50	0.00	0.00	12	0.25	0.95	2.23	30.63	24.38
OTC	WAVETEK	5.00	5.13	0.13	2.60	—	0.00	—		7.50	5.00

MARKET DIARY:

ADVANCES 21
DECLINES 28
UNCHANGED 10
NEW HIGHS 5
NEW LOWS 0

LARGEST DOLLAR GAINER....American Tele. & Comm. . . . +$11.75
LARGEST DOLLAR LOSER....Capital Cities . . . . −$ 10.63
LARGEST PERCENTAGE GAINER....American Tele. & Comm. +31.33%
. . . .
LARGEST PERCENTAGE LOSER....Turner Broadcasting . . . −11.72%

(H) = NEW HIGH IN PERIOD
(L) = NEW LOW IN PERIOD
(d) = DEFICIT
(s) = reflects stock split

ALL OTC QUOTES ARE REPRESENTED BY THE BID PRICE

Provided by David J. Siegel, Shearson Lehman Hutton, Inc (212) 964-6951, (800)643-0211. The information contained in this report has been taken from trade and statistical services and other sources which we deem reliable. We do not represent that it is accurate or complete. The information is subject to change.

* Shearson Lehman Hutton, Incorporated was manager or co-manager of a public offering of this issuer or one of its subsidiaries.

Similarly, United Artists Entertainment, formed earlier this year through the merger of three cable operators, remains volatile, and analysts said opportunities for short-term gains from an investment in UAE remain available.

Other stocks could run up if rumored transactions come to pass. For example, Cablevision Systems, which took a position in Time Inc. prior to its acquisition of Warner Communications, is now said to be taking a position in Paramount. While analysts discount any chance that Cablevision could gain control of Paramount, the chance that a yet-unannounced buyer could emerge for the entertainment concern continues to loom, and could drive up the value of Cablevision's investment and the stock value of the company itself.

The single exception to analysts' predictions of a short-term performance at the market's level is the handful of cable operators with interests in cellular radio. According to Goldman, companies with cellular interests will outperform the market, led by Century Communications and Comcast. Both currently trade in the mid-20s.

Otherwise, Wall Street has said, cable stocks, now leveling off at about a 35 percent discount to their private market value, figure to stay strong for the remainder of the year, but aren't expected to afford an appreciable short-term investment. ■

Financial/Stocks

• **Tele-Communications Inc.** has completed its first investment in pay-per-view development last month, joining **Continental Cablevision** as a minority shareholder in the anti-taping technology of **Eidak Corp.** Equity specifics were not released. ■

May, 1989

SOLD

Certain assets of
SPECCHIO CABLEVISION CO.
IMAGES TV INC.
GRUNDY COUNTY CABLEVISION
CABLEVISION FOR RANTOUL INC.
serving approximately 8,000 cable t.v. subscribers
in Illinois, Iowa, and Indiana
have been sold to
SPECCHIO PAY TELEVISION
LIMITED PARTNERS
a Partnership organized by
GULF AMERICAN CABLE GROUP
of Baton Rouge, Louisiana

COMMUNICATIONS
EQUITY
ASSOCIATES

[illegible]

This Announcement Appears As a Matter of Record Only.

March 1989

SOLD

Home Cablevision Co.

525 Basic Subscribers in the
Community of Madelia, Minnesota

Has Been Acquired By

Amzak Cable
Midwest, Inc.

The Undersigned Represented the Seller.

Cable Investments, Inc.
8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

CABLE STATS

Cable Network Ad Performance

June 1989 billings	June 1988 billings	Year-to-year dollar change	Year-to-year percent change
$75,155,526	$51,341,094	$23,814,432	31.6%

Top 10 cable net sponsors/June 1989

1.	Procter & Gamble	$3,156,493	6.	Time Warner Inc.	$1,473,957
2.	RJR Nabisco/KKR	2,518,196	7.	General Motors	1,473,887
3.	Anheuser-Busch	2,053,171	8.	Eastman Kodak	1,216,070
4.	Philip Morris	1,833,694	9.	Mars Inc.	1,145,442
5.	General Mills	1,580,883	10.	Clorox	1,043,734

Top 10 cable net sponsors/2nd Quarter 1989

1.	Procter & Gamble	$8,652,606	6.	Time Warner Inc.	$5,464,675
2.	Philip Morris	7,650,088	7.	Clorox	3,999,843
3.	RJR Nabisco/KKR	6,841,270	8.	Mars Inc.	3,850,555
4.	Anheuser Busch	5,739,966	9.	Eastman Kodak	3,669,394
5.	General Motors	5,464,675	10.	General Mills	3,523,315

Source: Broadcast Advertising Reports data; figures represent combined billings of CNN, ESPN, Family Channel, MTV, USA and TBS Superstation

	2nd Qtr. 1989 billings	2nd Qtr. 1988 billings	Year-to-year dollar change	Year-to-year percent change
CNN	$37,654,135	$26,424,352	$11,229,783	29.8%
ESPN	36,796,752	28,468,804	8,327,948	22.6%
FAMILY*	26,066,547	17,371,333	8,695,214	33.3%
MTV	24,815,874	20,728,252	4,087,622	16.4%
TBS	80,283,799	59,717,708	20,566,091	25.6%
USA	39,926,990	25,983,804	13,943,186	34.9%

*Family is new name for The Family Channel, previously CBN Family Channel
Source: Broadcast Advertising Reports data

Subscriber Universe Estimates

	Total TV households	Cable TV households	Homes passed	Cable percent of TV households
A.C. Nielsen	92,100,000	50,897,080	N.A.	56.4%
Arbitron	90,000,000	49,039,500	N.A.	54.5%
Paul Kagan Associates	89,000,000	45,900,000	76,900,000	51.1%

Subscriber numbers as of Aug. 1989
Nielsen figures include Alaska & Hawaii

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	6,228,526	(6/89)
2.	American Television & Communications Corp.	4,100,000	(4/89)
3.	UA Entertainment	2,642,729	(6/89)
4.	Continental Cablevision	2,404,000	(5/89)
5.	Warner Cable Communications	1,596,000	(6/89)
6.	Storer Cable Communications	1,530,700	(1/89)
7.	Cox Cable Communications	1,501,500	(4/89)
8.	Comcast	1,463,000	(5/89)
9.	Cablevision Systems	1,378,699	(8/89)
10.	Jones Intercable/Spacelink	1,190,728	(8/89)
11.	Newhouse Broadcasting	1,147,000	(5/89)
12.	Heritage Communications	1,100,000	(4/89)
13.	Times Mirror Cable TV	997,156	(1/89)
14.	Cablevision Industries	962,650	(8/89)
15.	Viacom Cable	955,000	(4/89)
16.	Sammons Communications	853,900	(4/89)
17.	Century Communications	800,000	(4/89)
18.	Cooke Cablevision	730,800	(5/89)
19.	Adelphia Communications	721,700	(5/89)
20.	Paragon Communications	703,000	(1/89)
21.	Falcon Cable TV	632,500	(3/89)
22.	Centel Cable	603,222	(6/89)
23.	Telecable	540,000	(5/89)
24.	WestMarc Communications	558,702	(7/89)
25.	KBLCOM	558,100	(4/89)
26.	Scripps-Howard	531,000	(3/89)
(30) 27.	Tele-Media	504,300	(7/89)
(27) 28.	Multivision Cable TV	482,000	(4/89)
(28) 29.	Prime Cable	458,000	(6/89)
(29) 30.	Post-Newsweek Cable	403,000	(4/89)
31.	Lenfest Group	365,915	(5/89)
32.	Maclean Hunter Cable TV	357,500	(5/89)
33.	TCA Group	349,300	(4/89)
34.	Rifkin & Associates	324,000	(4/89)
35.	Multimedia Cablevision	321,300	(4/89)
36.	Colony Communications	312,900	(4/89)
37.	TKR Cable	278,482	(5/89)
38.	Triax Communications	277,500	(6/89)
39.	Western Communications	266,700	(4/89)
40.	Cencom Cable	258,980	(7/89)
41.	Star Cablevision Group	254,000	(1/89)
42.	Hauser Communications	247,000	(7/89)
43.	Simmons Communications	246,690	(1/89)
44.	Service Electric Cable TV Inc.	211,500	(4/89)
45.	Greater Media	188,700	(3/89)
46.	Harron Communications	177,700	(3/89)
47.	Media General	176,068	(6/89)
48.	Sutton Capital	174,060	(6/89)
49.	Columbia International	174,000	(4/89)
50.	Palmer Communications	160,551	(5/89)
51.	Insight Communications	157,700	(4/89)
52.	U.S. Cable Corp	154,300	(3/89)
53.	Armstrong Utilities	151,800	(3/89)
54.	King Videocable	141,158	(1/89)
55.	Northland Communications	137,148	(4/89)
56.	Summit Communications	136,600	(3/89)
57.	Bresnan Communications	127,351	(1/89)
58.	Booth Communications	119,000	(1/89)
59.	Sonic Communications	117,551	(5/89)
60.	McDonald Group	115,200	(4/89)
61.	Susquehanna Broadcasting	113,200	(2/89)
62.	United Video Management	106,000	(3/89)
63.	Pencor Services	100,400	(2/89)
64.	First Carolina Communications	99,500	(3/89)
65.	Midcontinent Cable Systems Co.	95,550	(6/89)
66.	WEHCO Video	93,900	(4/89)
67.	Gilbert Media	85,000	(6/89)
68.	Coaxial Communications	80,000	(5/89)
69.	Selkirk Communications	77,500	(3/89)
70.	James Cable Partners	70,000	(4/89)
71.	Douglas Communications	64,100	(3/89)
72.	Barden Cablevision	62,700	(3/89)
73.	Cardinal Comunications	60,500	(6/89)
(79) 74.	Prestige Cable TV Inc.	60,410	(7/89)
(74) 75.	Omega Communications	60,000	(8/89)
(75) 76.	Helicon Corp.	59,000	(8/89)
(76) 77.	C-TEC Cable Systems	58,600	(5/89)
(77) 78.	Hearst Communications Of California	58,200	(5/89)
(78) 79.	Fanch Communications	58,000	(6/89)
80.	Telesat Cablevision Inc.	57,235	(6/89)
81.	State Cable TV	54,700	(5/89)
82.	Leonard Communications	53,000	(8/89)
83.	Bachow & Elkin Communications	51,700	(1/89)
84.	Galaxy Cablevision	51,700	(3/89)
85.	Joseph Gans Cable TV	50,000	(8/89)
86.	New England Cablevision	49,000	(4/89)
87.	Republic Communications Corp.	48,000	(5/89)
88.	Rock Associates	47,500	(3/89)
89.	Donrey Media Group	47,500	(3/89)
90.	360 Corp.	45,000	(5/89)
91.	CableSouth Inc.	42,100	(2/89)
92.	CableAmerica	42,000	(2/89)
93.	Masada Corp.	42,000	(8/89)
94.	Star Cable Associates	42,000	(8/89)
95.	Eastern Connecticut Cable TV	41,820	(6/89)
96.	Cable Holdings Inc.	41,800	(3/89)
97.	C4 Media	41,275	(7/89)
(new) 98.	Raystay Co.	40,447	(8/89)
(98) 99.	Acton Corp.	40,400	(3/89)
(99) 100.	Fairbanks Communications	36,400	(3/89)

( ) Rank last listing

Subscriber counts are provided by MSOs and systems to Cable Vision. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 345 Park Avenue So., 9th Floor, New York, NY 10010.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Long Island, NY	Cablevision Systems	474,808	(8/89)
2.	San Diego, CA	Cox Cable	301,765	(4/89)
3.	Orlando/Melbourne, FL	ATC	290,000	(2/89)
4.	San Antonio, TX	KBLCOM	234,835	(6/89)
5.	Manhattan, NY	ATC	231,864	(6/89)
6.	Puget Sound, WA	Viacom	225,800	(6/89)
7.	Phoenix, AZ	Times Mirror	220,968	(5/89)
8.	East Orange, NJ	Maclean Hunter	212,000	(6/89)
9.	Houston, TX	Warner	207,000	(6/89)
10.	Honolulu, HI	ATC	202,000	(1/89)
11.	Dover/Morristown, NJ	Sammons	178,336	(6/89)
12.	Chicago (suburbs), Il	Continental	177,208	(2/89)
13.	Wayne, NJ	UA Entertainment	175,376	(7/89)
14.	Cincinnati, OH	Warner	167,000	(6/89)
15.	Rochester, NY	ATC	167,000	(1/89)
16.	Atlanta, GA	Prime Cable	166,329	(5/89)
17.	Cleveland, OH	Cablevision Systems	165,842	(8/89)
18.	Fairfax, VA	Media General	164,519	(6/89)
19.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(1/89)
20.	Hampton Roads, VA	Cox Cable	162,964	(3/89)
21.	Cherry Hill, NJ	NYT	162,000	(1/89)
22.	Connecticut Complex	Cablevision Systems	157,148	(8/89)
23.	Jacksonville, FL	Continental Cablevision	154,600	(5/89)
24.	Hartford/Plainville/Vernon, CT	UA Entertainment	152,683	(6/89)
25.	Chicago, IL	TCI	148,857	(4/89)
26.	Memphis/W. Memphis, TN	ATC	148,000	(1/89)
27.	Kansas City, MO	ATC	147,000	(2/89)
28.	San Jose/Campbell, CA	Heritage	145,000	(6/89)
29.	Baltimore County, MD	Comcast	144,000	(6/89)
30.	Manhattan, NY	Paragon	143,500	(6/89)
31.	Tulsa, OK	UA Entertainment	140,015	(6/89)
32.	Buffalo, NY	Adelphia Comm.	139,515	(8/89)
33.	Denver (suburbs), CO	UA Entertainment	139,300	(6/89)
34.	Charlotte, NC	ATC	139,000	(1/89)
35.	Pompano, FL	Continental	136,791	(2/89)
36.	St. Louis, MO	Cencom	135,039	(6/89)
37.	San Francisco, CA	Viacom	134,000	(6/89)
38.	Brooklyn/Queens, NY	Warner	132,500	(6/89)
39.	San Diego, CA	ATC	132,000	(1/89)
40.	Martin/Stuart Co, FL	Centel	129,460	(3/89)
41.	Seattle, WA	TCI	120,518	(1/89)
42.	Austin, TX	ATC	120,000	(1/89)
43.	Warren, NJ	TKR	119,358	(7/89)
44.	Pinellas County, FL	Newhouse	114,000	(6/89)
45.	Wilmington, DE	Heritage	112,000	(6/89)
46.	Tacoma, WA	Viacom	112,000	(6/89)
47.	Grand Rapids, MI	UA Entertainment	111,198	(6/89)
48.	San Diego County, CA	Times Mirror	111,029	(5/89)
49.	Toledo, OH	Blade Communications	110,785	(5/89)
50.	Southeast Michigan	Comcast	110,000	(6/89)
51.	Chicago Suburbs, IL	Centel	109,576	(5/89)
52.	Las Vegas, NV	Prime Cable	107,288	(5/89)
53.	Dallas, TX	Heritage	107,244	(6/89)
54.	San Juan, PR	Multivision Cable	106,046	(6/89)
55.	Jefferson Parish/Kenner, LA	Cox Cable	105,811	(3/89)
56.	Indianapolis, IN	Comcast	104,000	(6/89)
57.	Raleigh/Durham, NC	ATC	104,000	(1/89)
58.	Boston/Brookline, MA	Cablevision Systems	102,130	(8/89)
59.	Nashville, TN	Viacom	101,500	(6/89)
60.	Hillsborough/Tampa, FL	Paragon	100,281	(2/89)
61.	Chicago, IL	Group W	98,700	(5/89)
62.	Richmond, VA	Continental	97,935	(1/89)
63.	Jackson, MS	ATC	97,000	(1/89)
64.	Pittsburgh, PA	TCI	96,712	(1/89)
65.	St. Petersburg, FL	Paragon	95,412	(2/89)
66.	Monmouth, NJ	Sutton Capital	94,970	(6/89)
67.	Naples, FL	Palmer	94,450	(6/89)
68.	Reading, PA	ATC	94,000	(1/89)
69.	Worcester Complex, MA	Greater Media	92,148	(1/89)
70.	Milwaukee, WI	Warner	92,000	(6/89)
71.	Portland, OR	KBLCOM	91,500	(8/89)
72.	Greensboro, NC	ATC	91,000	(1/89)
73.	Dade/Broward County, FL	Storer	90,000	(8/89)
74.	Independence,MO	Jones	88,628	(8/89)
75.	Wichita, KS	Multimedia	87,351	(1/89)
76.	Tucson, AZ	Cooke	86,976	(8/89)
77.	Harrisburg, PA	Sammons	85,200	(8/89)
78.	Columbus, OH	Warner	85,000	(6/89)
79.	Baton Rouge, LA	UA Entertainment	84,976	(6/89)
80.	Orange County, CA	KBLCOM	84,545	(7/89)
81.	Fresno, CA	Continental	84,217	(6/89)
82.	Akron, OH	Warner	84,000	(6/89)
83.	Montgomery County, MD	Hauser	84,000	(8/89)
84.	Albuquerque, NM	Jones Intercable	83,119	(5/89)
85.	Fayetteville, NC	ATC	83,000	(1/89)
86.	South Bend, IN	Heritage	82,744	(6/89)
87.	Houston Suburbs, TX	Prime Cable	82,000	(6/89)
88.	Medford Complex Boston Suburbs, MA	Warner	82,000	(6/89)
89.	Oakland County, MI	UA Entertainment	80,564	(8/89)
90.	Indianapolis, IN	ATC	80,000	(1/89)
91.	Providence/Warwick, RI	Times Mirror	78,528	(6/89)
92.	New Orleans, LA	Cox Cable	78,493	(3/89)
93.	Allentown, PA	Service Electric	78,000	(8/89)
94.	Ventura, CA	Western	78,300	(8/89)
95.	Oklahoma City, OK	Cox Cable	77,014	(3/89)
96.	South Texas, TX	Heritage	75,560	(6/89)
97.	Omaha, NE	Cox Cable	74,472	(3/89)
98.	Pleasant Hill, CA	WestMarc	74,401	(7/89)
99.	Little Rock, AR	Storer	74,274	(6/89)
100.	Birmingham, AL	ATC	73,500	(5/89)

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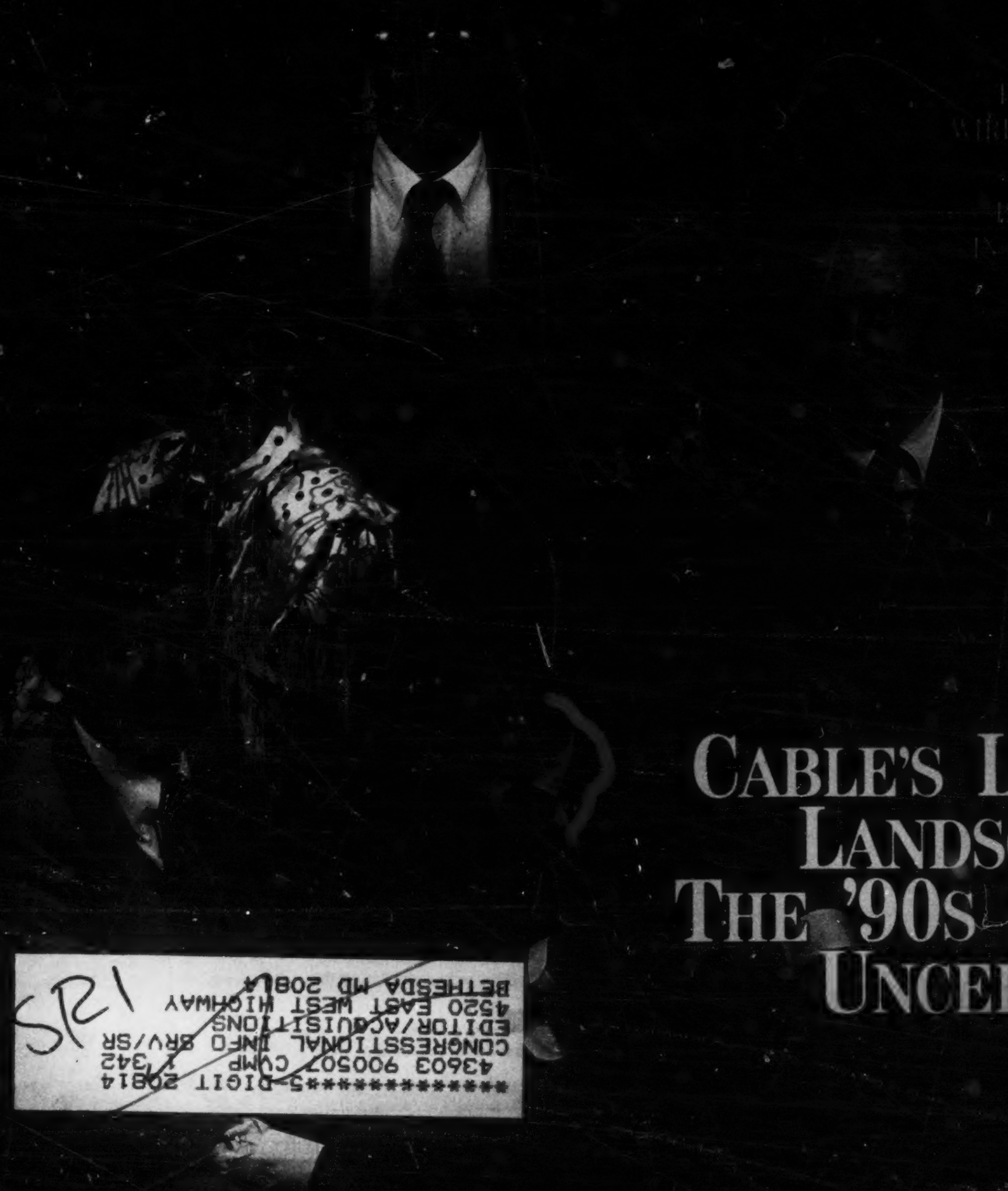
CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT SEPTEMBER [illegible]



THE ABC'S OF
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BIG BUSINESS
IN CLASSIFIEDS

SLOW GOING
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CABLE'S LEGAL LANDSCAPE: THE '90S LOOK UNCERTAIN

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wise from top:
James Hobson
ental's Robert Sachs,
Cole; Larry Irving,
Miller
s Brenda Fox

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT SEPTEMBER 25, 1989

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The CABLE POLL

TM Midwest CATV & CableVision Magazine

Syndex to cause massive signal drops

One in four of all cable systems surveyed—and 41 percent of systems with more than 50,000 subscribers—already have decided to drop or anticipate dropping at least one distant signal vulnerable to blackouts under the impending syndicated exclusivity rules, according to information supplied by operators for the Cable Poll™.

And given that the poll was conducted after cable superstations had announced plans to be "syndex-proof," it's likely that the drops will be regional independents or duplicating network affiliates, industry experts said in commenting on the data.

But the industry's approach to syndex—beyond the initial decision to drop what can be extrapolated as more than 1,500 signals—remains very much up in the air, the survey reveals, even with the effective date of the rules barely three months away. Asked what alternate programming they would air during blackouts, 90 percent of operators surveyed said they didn't know for sure, although a few mentioned using LO fare, switching to shows running on cable networks or running acquired programming.

The syndex survey presents a picture of extremes. While 30 percent of systems said they do not carry any signals subject to blackouts, 28 percent carry three, four, five or more. And the number of programs that operators are being asked to black out also tend to be either high or low; 39 percent of Cable Poll™ respondents said they have received notices covering five or fewer shows, while 24 percent said they have been asked to black out more than 20 shows.

Number

1

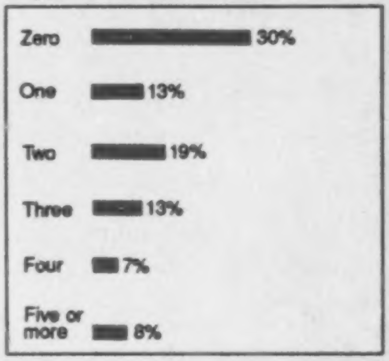
in a series of ten

"It tells me exactly what we have been warning everyone for some time," said CATA President Steve Effros. "Operators know that it will be one hell of a mess for subscribers, so they're limiting their exposure to the rules by dropping regional independents."

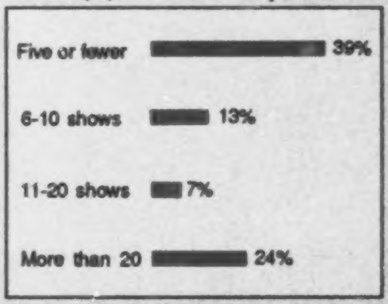
INTV President Preston Padden, reacting to the data, said "25 percent of the distant signals being dropped is not surprising to me. Our members see it as a good trade-off losing a little coverage outside their markets to gain the integrity of their programming inside their home markets."

The Cable Poll™ is conducted for Midwest CATV and *CableVision* magazine by Ryan/Samples Research. Telephone interviews for this edition of the poll were conducted Aug. 14-19 with a random sample of 387 system management personnel obtained from CableFile Research. Cable Poll™ researchers are 95 percent confident that the results are an accurate reflection of the total industry within plus or minus 5 percentage points. ■

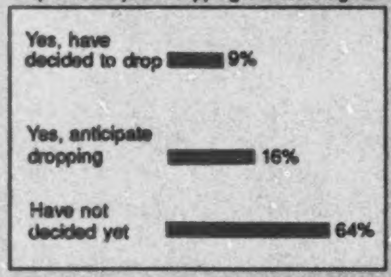
How many signals do you carry that are subject to blackouts?



How many syndex notices have you received?



Because of syndex, have you decided to drop or anticipate dropping a distant signal?



Financial/Stocks

- **KBLCOM** reported a $28.5 million net loss for the three-month period ending June 30. The **Houston Industries** division, formed for the acquisition of Rogers Communications' U.S. systems last March, also tallied a $36.1 million net loss for the first half of 1989. Costs pertaining to the Rogers sale were responsible for the outcome. Net loss results will continue in the near term, officials said.

- **Bank Of New York** and **Citibank** will act as co-agents in the syndication of a $1.4 billion senior unsecured credit facility for **Viacom International**. Viacom will use the 10-year facility to refinance outstanding senior secured bank debt and provide for increased credit availability for general corporate purposes.

- **Whittle Communications** will spend $150 million on hardware equipment for its various educational ventures. **Philips Consumer Electronics** will design and build the equipment infrastructure for Whittle's *Channel One* and other classroom TV services, and supply Whittle with about 300,000 TV sets, 15,000 VCRs and 8,000 satellite dishes to be distributed nationwide. This is the largest satellite system order in Philips' history. Whittle will launch *Channel One* next March, followed by two channels of educational programs.

- **Century Communications** announced a three-for-two stock split which applies to A, B and treasury stock classes. Outstanding shares were increased from 43.4 million to 65.2 million through the split, with treasury stock shares going from 5.6 million to 8.4 million. In other company developments, Andrew Tow was promoted to a vice president.

QUARTERLY EARNINGS CHART

Dollar amount in thousands

Company (Quarter/Fiscal Year)	Revenues	%Change	Operating Profit	%Change	Net Income	%Change
C-Cor Electronics (4th/89)	$ 53,755	32.1	$ 5,195	47.2	$ 5,195	70.5
Centel Cable (2nd/89)	43,705	13.5	6,107	16.2	2,513	16.2
Century Communications (4th/89)	50,789	14.8	28,073	14.3	-17,289	-1763
Comcast (2nd/89)	113,200	-16.2	N.A.	N.A.	-7,800	74.5
Houston Industries (2nd/89)	950,425	11.9	N.A.	N.A.	56,684	-35.7
Jones Intercable Investors (2nd/89)	7,894	15.9	2,774	12.3	3,379	-21
QVC Network (2nd/89)	54,919	32.3	1,077	33.1	812	11.3
Scientific-Atlanta (4th/89)	158,373	19.3	16,732	28	10,708	32
Tele-Communications Inc. (2nd/89)	551,000	-24.1	N.A.	N.A.	-21,900	65.6
UA Entertainment (2nd/89)	273,700	N.A.	64,900	N.A.	-45,100	N.A.
Video Jukebox Network (2nd/89)	506	34.7	N.A.	N.A.	-761	-97
WestMarc Communications (2nd/89)	52,185	44.9	11,866	87.5	-5,625	-1.7

Acquisitions

- **Warner Cable** has concluded its separate buyouts of **Centel** and **Tele-Media Corp.**'s Ohio systems. Thirty-one systems are included in the agreements, reaching more than 106,900 households. The Centel group involves franchises in Germantown, Lewisburg, Marysville and surrounding cities; Tele-Media areas include a section of Columbus, Owensville and Peebles. Earlier, **American TV & Communications** finalized the terms of its Centel system purchase, paying $251 million for 14 systems in central Florida. ATC will manage the franchises within its Orlando operations, with about 100,000 subscribers in Winter Haven and vicinity affected. That buyout will be financed from existing ATC credit facilities and has met regulatory and franchise authority conditions.

- **Cablevision Systems Corp.** will engage in a system swap with **Times Mirror**. The deal's key is Cablevision's purchase of Arizona outlets formerly owned by **Republic Cable Partners**. Under the arrangement, Cablevision will turn over the Republic holdings to Times Mirror in exchange for TM's Long Island, N.Y., and Haverhill, Mass., franchises. All of the Republic systems are west of Phoenix, a TM base, with 45,000 homes in the area. **Communications Equity Associates** worked on the trade, which is expected to be concluded by late October.

- **UA Entertainment** has received limited partnership interests covering the Scottsdale, Ariz., cable

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	387	9,000,000
Alternate View Network	300	4,500,000
Arts & Entertainment Network (A&E)	3,700	39,673,000
Black Entertainment Television	1,800	24,218,000
CNBC	700	13,000,000
Cable News Network	11,860	51,527,000
Cable Value Network	1,800	23,300,000
C-SPAN	3,341	46,600,000
C-SPAN II	649	18,106,660
Country Music Television	1,092	9,124,974
The Discovery Channel	5,324	44,090,000
Eco/Galavision	300	1,000,000
ESPN	20,500*	53,400,000
Eternal Word Television Network	490	10,800,000
The Family Channel	8,424	45,734,000
Family Guide Network	60	4,500,000
FamilyNet	388	3,500,000
The Fashion Channel	650	10,100,000
Financial News Network	3,500	31,219,000
FNN/Score	1,600	20,000,000
Headline News	3,410	37,727,000
Home Shopping Network	1,488	16,928,895
Home Shopping Network II	384	6,796,525
The Inspirational Network	920	9,500,000
International Television Network	25	7,868,900
J.C. Penney TV Shopping Channel	119	5,100,000
KTVT	417	3,600,000
The Learning Channel	1,142	17,500,000
Lifetime	3,800	44,177,000
Mind Extension University	156	4,900,000
MTV	5,405	47,137,000
Movietime	447	13,000,000
The Nashville Network	8,318	45,923,000
National College Television	147	5,800,000
Nick At Nite	3,440	39,600,000
Nickelodeon	6,600	47,183,000
The Nostalgia Channel	389	5,800,000
Prevue Guide	400	12,000,000
QVC Network	1,000	14,100,000
RFD TV	30	2,182,190
Silent Network	189	13,600,000
SportsChannel America**	N.A.	1,500,000
TBS Superstation	9,426	49,725,000
Telemundo***	5	100,000
TNT	2,745	30,499,000
The Travel Channel	659	11,000,000
Trinity Broadcasting Network	725	9,100,000
Univision***	500	509,500
USA Network	10,100	48,427,000
VH-1	2,530	32,390,000
Vision Interfaith Satellite Network	315	6,200,000
The Weather Channel	3,650	39,051,000
WGN-TV	11,415	24,900,000
WWOR-TV	2,600	12,500,030
WPIX-TV	858	9,678,474
WSBK-TV (new)	57	350,808
Bonus/basic services		
American Movie Classics	1,700	20,000,000
Bravo	375	2,500,000
Pay services		
American Exxxtasy	35	27,000
Cinemax	3,650	6,600,000
The Disney Channel	5,700	4,337,300
Home Box Office	7,400	17,000,000
The Movie Channel	3,250	2,700,000
The Playboy Channel	526	470,000
Showtime	6,000	6,600,000
Audio services		
AEI Lifestyle	142	2,578,838
AEI Star/Tracks Vocal Hits	26	854,390
Cable Radio Network	59	2,500,000
Galatic Radio	102	3,000,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804
Text services		
AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000
Computer services		
DBC/MarketWatch	462	9,200,000
X*Press Executive	467	14,000
X*Press X*Change	487	14,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Consumer Classified Ad Network	3	195,000
Fuji Network	3	12,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000
Pay services		
Nippon Golden Network	5	13,600

Interactive services

Basic services	Affiliates	Subscribers
Video Jukebox Network	22	1,950,000

Regional services

Basic services	Affiliates	Subscribers
Arizona Sports Programming Network	N.A.	210,000
Atlanta Interfaith	7	180,000
Bay Area Religious Channel	6	113,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,200,000
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,400,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	594,000
Midwest Sports Channel (new)	90	275,000
Niagara Frontier Sports Network	13	800,000
Northwest Cable Sports Network	3	700,000
Pennarama	28	750,000
Prime Cable	9	381,938
Prime Sports Network	11	300,000
Prime Ticket	115	3,500,000
SportsChannel (Chicago)	50	1,567,270
SportsChannel (Ohio)	2	280,000
Sunshine Network	200	2,310,000
Pay services		
Home Sports Entertainment	250	1,000,000
Home Team Sports	125	1,200,000
New England Sports Network	171	317,201
Prism	87	427,000
Pro-Am Sports	173	523,000
SportsChannel (Florida)	22	650,000
SportsChannel (Los Angeles)	76	125,000
SportsChannel (New England)	154	1,028,431
SportsChannel (New York)	100	1,300,000

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 345 Park Avenue South, 9th Floor, New York, NY 10010.

N/A denotes information not available.

***Includes MMDS and SMATV systems**

****Count represents standalone affiliates/subscribers; portions of SC America are carried on Home Team Sports and the SportsChannel family of regional services.**

*****Spanish-speaking households.**

Announced services

Satellite-fed services	Expected launch
American Women's Network	1st Quarter 1990
The Asia Network	4th Quarter 1989
Career Channel Network	1989
CD/16: The Digital Music Network	4th Quarter 1989
The Computer Channel	4th Quarter 1989
Cowboy TV Network	3/90
Digital Cable Radio	10/89
Digital Radio Channel	4th Quarter 1989
The Gaming Network	4th Quarter 1989
The Global Channel	1st Quarter 1990
Global Village Network	3rd Quarter 1990
HA TV Comedy Network (MTV)	4/90
HBO Comedy Channel	11/89
The How-To Channel	2nd Quarter 1990
Interactive Game Network	4th Quarter 1989
Kids Information Network	4th Quarter 1989
Maximum Entertainment Network	4th Quarter 1989
[illegible] Sports News Network	11/89
Music Image Channel	11/89
Prime Network	4th Quarter 1989
QVC/CVN Network II	2/90
The Sci-Fi Channel	4th Quarter 1990
Spanish TV News Network	4th Quarter 1989
Talk Television	4th Quarter 1989
Non satellite-fed services	**Expected launch**
ACTV	4th Quarter 1989
Main Street	4th Quarter 1989
On Demand/UTV TV Network	4th Quarter 1989

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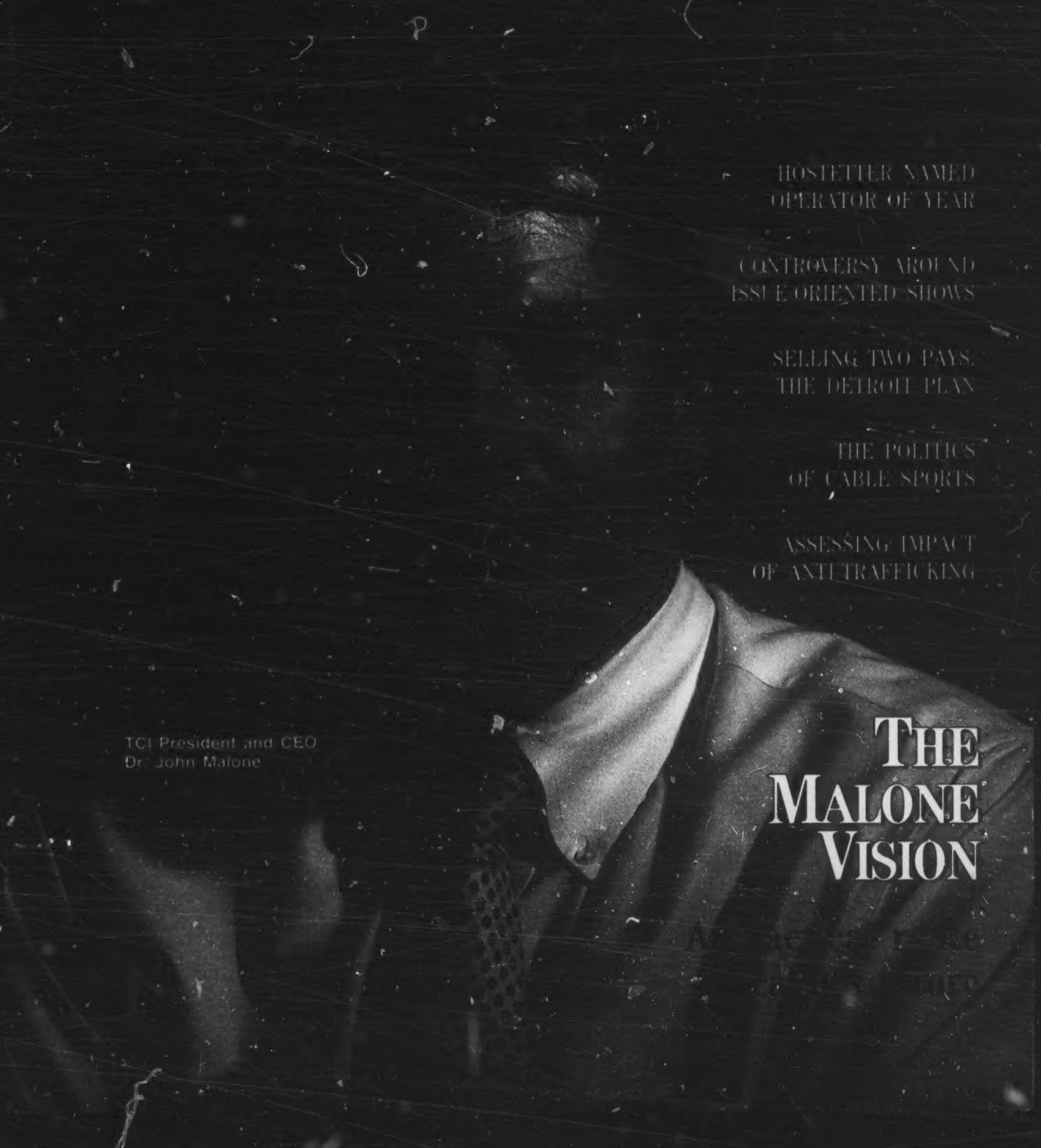
CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT
OCTOBER 9, 1989



HOSTETTER NAMED OPERATOR OF YEAR

CONTROVERSY AROUND ISSUE ORIENTED SHOWS

SELLING TWO PAYS: THE DETROIT PLAN

THE POLITICS OF CABLE SPORTS

ASSESSING IMPACT OF ANTI-TRAFFICKING

TCI President and CEO
Dr. John Malone

THE MALONE VISION

[illegible]

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT OCTOBER 9, 1989

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ABP BPA

The CABLE POLL

Midwest CATV & CableVision Magazine

Operators see scant demand for HDTV

Three out of four system managers—basing their conclusions on feedback from subscribers and opinion leaders in their communities—believe there is very little or no demand for true high-definition television in their markets. That perception of a negligible consumer demand for HDTV rises to a startling 91 percent among managers of systems with more than 50,000 subscribers, significant because it likely would be in those larger markets where HDTV receivers first would be marketed.

In fact, the number who told Cable Poll™ interviewers they believe that "a lot" of demand exists for HDTV is so low as to be statistically invisible. This overwhelming consensus throws cold water on technology buffs who predict that consumers would replace their NTSC sets with HDTV receivers as rapidly as they bought color sets in the 1960s. Conversely, knowledgeable observers commented that the data may bolster the case of proponents of advanced TV systems, because the incremental cost of ATV sets would be lower and would cause less consumer confusion.

The data mirror the conclusions of a Congressional Budget Office report, requested by a Senate committee considering grants to companies involved with HDTV research, which said that forecasts of widespread consumer acceptance of HDTV have been overly optimistic.

Number

2

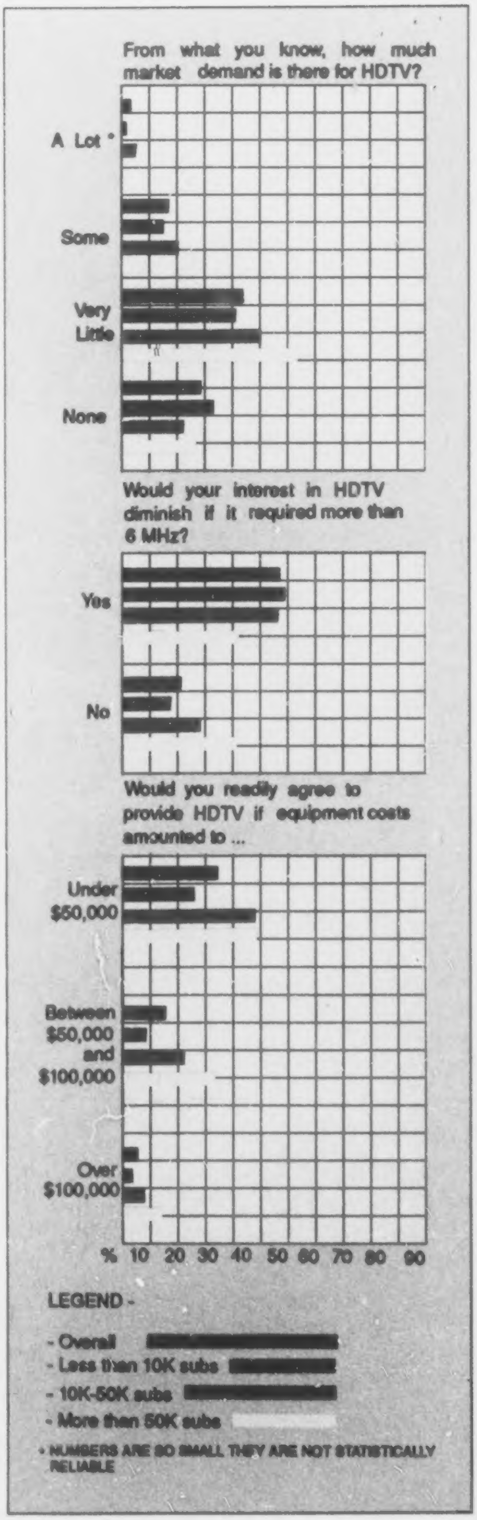
in a series of ten

The Cable Poll™ reveals that operators principally are worried about the greater bandwidth that HDTV likely would require, and with equipment retrofit and upgrade costs that probably would be needed to accommodate HDTV.

More than half of all operators surveyed said their interest in HDTV would be greatly diminished if the signal would require more than a standard 6 MHz channel. But operators of larger systems, apparently because they are not as constrained by channel capacities, were evenly divided as to whether HDTV's greater spectrum needs would cause a problem.

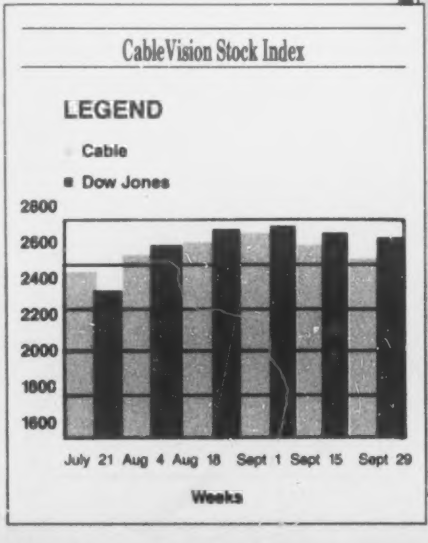
Based on responses to the Cable Poll™, $50,000 seems to be the point at which operators become price-resistant to HDTV. If that were the per-channel cost of providing HDTV, 35 percent of all respondents, and 50 percent of larger systems, would readily agree to provide HDTV.

The Cable Poll™ is conducted for Midwest CATV and *CableVision* magazine by Ryan/Samples Research. Telephone interviews for this edition of the poll were conducted Aug. 14-19 with a random sample of 387 system management personnel obtained from CableFile Research. Cable Poll™ researchers are 95 percent confident that the results are an accurate reflection of the total industry within plus or minus 5 percentage points. ■



GTE Spacenet have wrapped up a group of satellite transponder contracts. **Financial News Network**; **Jones International**, **Black Entertainment TV** and **Trinity Broadcasting Network** will get one transponder each on Hughes' Galaxy V satellite, scheduled to launch in 1991, while **Cable News Network** is prepared to lease three Ku-band transponders on Spacenet's G-STAR II bird. FNN, Jones, BET and Trinity will switch their feeds from various points on Galaxy I and Satcom III-R over to Galaxy V after launch. CNN will use the G-STAR transponders for daily Newssource and Newsbeam video feeds to broadcasters. Prices on the life-of-satellite agreements were not released. Also, **The Family Channel** launched a West Coast feed Sept. 30 over Satcom 1-R, transponder 1.

- **National Cable Advertising** will create an unwired cable ad sales service next year, involving eight operators with systems in upstate New York. More than 900,000 subscribers are reachable through the partnership, tying NCA with 16 systems owned by Adelphia, ATC, Newhouse, TCI and others. NCA


CableVision Stock Index

Stock Market

EXCH	COMPANY	CLOSING QUOTE 09/08/89	CLOSING QUOTE 09/29/89	NET CHANGE IN PERIOD	PERCENT CHANGE IN PERIOD	P/E RATIO	ANNUAL		EARNINGS PER SHARE	52 WEEK	
							DIV	YLD%		HIGH	LOW
MSOs & PROGRAMMERS											
ASE	ACTON	19.00	18.00	-1.00	-5.26	90	0.00	—	0.20	24.13	11.00
OTC	ADELPHIA COMM.	28.25	28.25	0.00	0.00	—	0.00	—		28.50	8.50
OTC	AMERICAN TELE & COMM.	49.25	48.25	-1.00	-2.03	—	0.00	—		53.25	21.75
ASE	CABLEVISION SYS (a)	46.50	45.00	-1.50	-3.23	—	0.00	—		47.25	29.75
OTC	C-TEC CORP	22.50	23.75	1.25	5.56	10	0.00	—	2.49	23.75	11.25
ASE	CENTURY COMMUNICATIONS	18.75	18.75	0.00	0.00	—	0.00	—		23.13	12.00
OTC	COMCAST	27.63	26.38	-1.25	-4.52	—	0.12	0.45		28.13	13.75
OTC	CVN	20.00	19.75	0.00	0.00	—	0.00	—		20.13	11.50
NYS	DISNEY	120.00	118.00	-2.00	-1.67	27	0.48	0.41	4.35	120.00	60.00
ASE	FALCON	20.13	20.25	0.12	0.60	—	2.12	10.47		22.13	18.63
OTC	FINANCIAL NEWS NET.	7.25	7.00	-0.25	-3.45	30	0.00	—	0.23	10.50	5.13
ASE	GALAXY	21.50	22.38	0.88	4.09	75	1.30	5.81	0.30	25.38	17.00
ASE	HOME SHOPPING NETWORK	3.63	3.88	0.25	6.89	16	0.00	—	0.24	6.75	3.38
OTC	JONES INTERCABLE	19.13	19.13	0.00	0.00	—	0.00	—		19.25	11.00
ASE	JONES INTERCABLE INV	14.13	14.13	0.00	0.00	15	1.60	11.32	0.95	15.63	14.13
NYS	KNIGHT-RIDDER	55.88	52.00	-3.88	-6.94	21	1.22	2.35	2.49	57.25	42.88
	NC										
NYS	MCA	62.00	62.38	0.38	0.61	28	0.68	1.09	2.26	68.75	45.38
OTC	MEDIA GENERAL	39.00	38.38	-0.62	-1.59	22	0.40	1.04	1.74	40.50	33.25
OTC	MULTIMEDIA	103.50	99.00	-4.50	-4.35	78	0.00	—	1.27	108.50	69.00
OTC	NOSTALGIA CHANNEL	2.00	2.00	0.00	0.00	—	0.00	—		4.00	0.50
ASE	NEW YORK TIMES	30.88	30.13	-0.75	-2.43	15	0.48	1.59	2.02	34.75	24.38
NYS	PLAYBOY ENTERPRISES	17.00	17.00	0.00	0.00	113	0.00	—	0.15	17.00	12.13
OTC	QVC	17.63	17.38	-0.25	-1.42	—	0.10	0.58		20.25	8.00
OTC	SCRIPPS HOWARD BRDCST	75.00	74.00	-1.00	-1.33	—	1.00	1.35		86.00	67.50
OTC	TCA CABLE TV	18.25	17.50	-0.75	-4.11	34	0.40	2.29	0.51	20.75	16.50
OTC	TELE-COMMUNICATIONS	38.13	37.38	-0.75	-1.97	—	0.00	—		38.75	20.38
NYS	TIME INC.	136.00	137.63	1.63	1.20	28	1.00	0.73	4.98	182.75	103.63
NYS	TIMES MIRROR	41.25	39.13	-2.12	-5.14	16	1.00	2.56	2.53	45.00	32.38
NYS	TRIBUNE CO.	59.63	55.50	-4.13	-6.93	19	0.88	1.59	2.86	61.63	38.38
ASE	TURNER BROADCASTING	55.63	48.50	-7.13	-12.82	—	0.00	—		60.75	17.00
OTC	UNITED ARTISTS ENTER.	23.13	22.00	-1.13	-4.89	37	0.00	—	0.59	23.13	14.75
ASE	VIACOM	58.50	55.00	-3.50	-5.98	—	0.30	—		59.50	30.50
NYS	WARNER COMM.	64.50	64.50	0.00	0.00	24	0.68	1.05	2.86	67.50	35.38
OTC	WASHINGTON POST BRDCST	288.50	287.25	-1.25	-0.43	12	1.86	0.65	24.52	289.50	204.00
OTC	WESTMARC	30.50	30.50	0.00	0.00	39	0.00	—	0.79	30.75	16.50
SERVICE & FINANCIAL COMPANIES											
OTC	BURNUP & SIMS	19.88	20.13	0.25	1.26	44	0.00	—	0.46	24.63	13.00
NYS	CAPITAL CITIES	608.00	606.00	-2.00	-0.33	28	0.20	0.04	22.46	620.50	304.50
NYS	PARAMOUNT	56.50	53.13	-3.37	-5.96	19	1.40	2.64	2.86	63.25	39.50
MANUFACTURERS & DISTRIBUTORS											
OTC	ARTEL	7.50	7.75	0.25	3.33	—	0.00	—		8.13	1.50
NYS	ARVIN	19.50	19.38	-0.12	-0.62	14	0.68	3.51	1.41	26.75	17.63
NYS	AUGAT	13.50	9.25	-4.25	-31.48	16	0.40	4.32	0.57	15.38	10.50
OTC	CABLE EXCHANGE	0.75	0.75	0.00	0.00	—	0.00	—		5.38	0.75
OTC	C-COR ELECTRONICS	13.75	14.50	0.75	5.45	24	0.00	—	0.60	18.50	3.75
NYS	CONTEL CORP.	33.00	33.38	0.38	1.15	61	2.20	6.59	0.56	66.75	32.00
OTC	GANDALF TECH.	5.88	5.88	0.00	0.00	9	0.00	—	0.64	7.75	3.38
NYS	GENERAL INSTRUMENT	31.13	33.88	2.75	8.82	13	0.50	1.48	2.55	37.25	21.25
OTC	GRAPHIC SCANNING	11.38	11.00	-0.38	-3.24	9	0.00	—	1.24	12.00	5.75
NYS	HARRIS CORP.	34.63	37.00	2.37	6.84	14	0.88	2.38	2.74	38.00	25.00
NYS	M/A-COM (L)	7.13	6.75	-0.38	-5.33	13	0.24	3.56	0.53	9.25	6.75
NYS	OAK INDUSTRIES	1.38	1.13	-0.25	-18.12	9	0.00	—	0.12	1.88	0.75
ASE	PICO PRODUCTS	1.13	1.25	0.12	10.62	—	0.00	—		2.75	1.00
NYS	PIONEER ELECTRONICS	59.63	61.25	1.62	2.72	42	0.18	0.29	1.47	61.50	46.50
OTC	RADIATION SYSTEMS	11.00	10.63	-0.37	-3.36	15	0.10	0.94	0.73	11.00	7.50
ASE	RMS INTERNATIONAL(L)	1.00	0.88	-0.12	-12.00	22	0.00	—	0.04	2.50	0.88
NYS	SCIENTIFIC-ATLANTA	19.75	20.25	0.50	2.53	14	0.12	0.59	1.41	20.50	12.63
OTC	WEGENER(H)	3.63	3.88	0.25	6.89	388	0.00	—	0.01	3.88	2.25
NYS	TEKTRONIX	21.25	19.50	-1.75	-8.24	108	0.60	3.08	0.18	24.25	20.25
NYS	VARIAN ASSOCIATES	27.38	25.13	-2.25	-8.22	11	0.26	1.03	2.23	30.63	24.38
OTC	WAVETEK	5.00	4.88	-0.12	-2.40	—	0.00	—		7.50	5.00

MARKET DIARY:

ADVANCES	16
DECLINES	32
UNCHANGED	10
NEW HIGHS	1
NEW LOWS	2

LARGEST DOLLAR GAINER....General Instrument	+$2.75
LARGEST DOLLAR LOSER....Turner Broadcasting	−$ 7.13
LARGEST PERCENTAGE GAINER....Pico Products	+10.62%
LARGEST PERCENTAGE LOSER....Augat	−31.48%

(H) = NEW HIGH IN PERIOD
(L) = NEW LOW IN PERIOD
(d) = DEFICIT
(a) = reflects stock split

ALL OTC QUOTES ARE REPRESENTED BY THE BID PRICE

Provided by David J. Siegel, Shearson Lehman Hutton, Inc (212) 984-6951, (800)843-0211. The information contained in this report has been taken from trade and statistical services and other sources which we deem reliable. We do not represent that it is accurate or complete. The information is subject to change.

* Shearson Lehman Hutton, Incorporated was manager or co-manager of a public offering of this issuer or one of its subsidiaries.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.*	6,228,526	(6/89)
2.	American Television & Communications Corp.	4,100,000	(4/89)
3.	UA Entertainment	2,642,729	(6/89)
4.	Continental Cablevision	2,486,358	(7/89)
5.	Warner Cable Communications	1,700,000	(9/89)
6.	Storer Cable Communications	1,531,000	(8/89)
7.	Cox Cable Communications	1,515,876	(7/89)
8.	Comcast	1,463,000	(5/89)
9.	Cablevision Systems	1,378,699	(8/89)
10.	Jones Intercable/Spacelink	1,199,552	(8/89)
11.	Newhouse Broadcasting	1,147,000	(5/89)
12.	Heritage Communications	1,100,000	(4/89)
13.	Times Mirror Cable TV	1,020,602	(7/89)
14.	Cablevision Industries	962,650	(8/89)
15.	Viacom Cable	955,000	(4/89)
16.	Sammons Communications	853,900	(4/89)
17.	Century Communications	800,000	(4/89)
(19) 18.	Adelphia Communications	751,700	(9/89)
(18) 19.	Cooke Cablevision	730,800	(5/89)
20.	Paragon Communications	703,000	(1/89)
21.	Falcon Cable TV	632,500	(3/89)
(23) 22.	Telecable	580,000	(5/89)
(24) 23.	WestMarc Communications	561,131	(8/89)
(25) 24.	KBLCOM	558,100	(4/89)
(26) 25.	Scripps-Howard	540,000	(8/89)
(28) 26.	Multivision Cable TV	482,000	(4/89)
27.	Tele-Media*	475,163	(9/89)
(29) 28.	Prime Cable	458,000	(6/89)
(22) 29.	Centel Cable**	430,000	(9/89)
30.	Post-Newsweek Cable	403,000	(4/89)
31.	Lenfest Group	365,915	(5/89)
32.	Maclean Hunter Cable TV	357,500	(5/89)
33.	TCA Group	349,300	(4/89)
(36) 34.	Colony Communications	326,848	(8/89)
(34) 35.	Rifkin & Associates	324,000	(4/89)
(35) 36.	Multimedia Cablevision	321,300	(4/89)
37.	TKR Cable	278,482	(5/89)
38.	Triax Communications	277,500	(6/89)
39.	Western Communications	266,700	(4/89)
40.	Cencom Cable	258,182	(7/89)
41.	Star Cablevision Group	254,000	(1/89)
42.	Hauser Communications	247,000	(7/89)
43.	Simmons Communications	246,690	(1/89)
44.	Service Electric Cable TV Inc.	211,500	(4/89)
45.	Greater Media	205,000	(9/89)
(54) 46.	King Videocable	190,915	(8/89)
(48) 47.	Sutton Capital	188,449	(7/89)
(46) 48.	Harron Communications	185,000	(8/89)
49.	Columbia International	176,350	(8/89)
(47) 50.	Media General	176,068	(6/89)
(52) 51.	U.S. Cable Corp.	168,000	(9/89)
(50) 52.	Palmer Communications	160,551	(5/89)
(51) 53.	Insight Communications	157,700	(4/89)
(53) 54.	Armstrong Utilities	153,337	(7/89)
55.	Northland Communications	137,148	(4/89)
56.	Summit Communications	136,600	(3/89)
57.	Bresnan Communications	127,105	(8/89)
58.	Booth Communications	124,893	(9/89)
59.	Sonic Communications	117,551	(5/89)
60.	McDonald Group	115,200	(4/89)
61.	Susquehanna Broadcasting	113,200	(2/89)
62.	United Video Management	113,132	(8/89)
63.	Pencor Services	100,400	(2/89)
64.	First Carolina Communications	99,500	(3/89)
65.	Midcontinent Cable Systems Co.	95,550	(6/89)
66.	WEHCO Video	93,900	(4/89)
67.	Gilbert Media	85,000	(6/89)
68.	Coaxial Communications	80,000	(5/89)
69.	Selkirk Communications	80,000	(9/89)
(new) 70.	Mission Cable	72,294	(8/89)
(72) 71.	Barden Cablevision	70,945	(8/89)
(71) 72.	Douglas Communication	70,100	(8/89)
(70) 73.	James Cable Partners	70,000	(4/89)
(73) 74.	Cardinal Comunications	60,500	(6/89)
(74) 75.	Prestige Cable TV Inc.	60,410	(7/89)
(75) 76.	Omega Communications	60,000	(8/89)
(76) 77.	Helicon Corp.	59,000	(8/89)
(77) 78.	C-TEC Cable Systems	58,600	(5/89)
(78) 79.	Hearst Communications Of California	58,200	(5/89)
(79) 80.	Fanch Communications	58,000	(6/89)
(80) 81.	Telesat Cablevision Inc.	57,235	(6/89)
(81) 82.	State Cable TV	54,700	(5/89)
(84) 83.	Galaxy Cablevision	54,627	(8/89)
(82) 84.	Leonard Communications	53,000	(8/89)
85.	Joseph Gans Cable TV	50,000	(8/89)
86.	New England Cablevision	49,000	(4/89)
87.	Republic Communications Corp.	48,000	(5/89)
88.	Rock Associates	47,500	(3/89)
89.	Donrey Media Group	47,500	(3/89)
90.	360 Corp.	45,000	(5/89)
(93) 91.	Masada Corp.	43,120	(8/89)
(91) 92.	CableSouth Inc.	42,100	(2/89)
(94) 93.	Star Cable Associates	42,000	(8/89)
(95) 94.	Eastern Connecticut Cable TV	41,820	(6/89)
(96) 95.	Cable Holdings Inc.	41,800	(3/89)
(97) 96.	C4 Media	41,275	(7/89)
(98) 97.	Raystay Co.	40,447	(8/89)
(99) 98.	Acton Corp.	40,400	(3/89)
(new) 99.	Schurz Communications	40,078	(8/89)
(new) 100.	Benchmark Communications	37,722	(8/89)

( ) Rank last listing

*** Reflects system sales to Warner Cable**

**** Reflects system sales to ATC and Warner Cable**

Subscriber counts are provided by MSOs and systems to Cable Vision. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 345 Park Avenue So., 9th Floor, New York, NY 10010

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Long Island, NY	Cablevision Systems	474,888	(8/89)
2.	San Diego, CA	Cox Cable	303,637	(6/89)
3.	Orlando/Melbourne, FL	ATC	298,000	(2/89)
4.	San Antonio, TX	KBLCOM	234,835	(6/89)
5.	Manhattan, NY	ATC	231,864	(6/89)
6.	Puget Sound, WA	Viacom	225,800	(6/89)
7.	Phoenix, AZ	Times Mirror	220,968	(5/89)
8.	East Orange, NJ	Maclean Hunter	212,000	(6/89)
9.	Houston, TX	Warner	207,000	(6/89)
10.	Honolulu, HI	ATC	202,000	(1/89)
11.	Chicago (suburbs), Il	Continental	181,537	(9/89)
12.	Rochester, NY	ATC	180,000	(9/89)
13.	Wayne, NJ	UA Entertainment	175,376	(7/89)
14.	Louisville/Jeff. Co., KY	Storer Communications	170,000	(8/89)
15.	Cherry Hill, NJ	Garden State Cable	168,000	(9/89)
16.	Cincinnati, OH	Warner	167,000	(6/89)
17.	Atlanta, GA	Prime Cable	166,000	(9/89)
18.	Cleveland, OH	Cablevision Systems	165,842	(8/89)
19.	Hampton Roads, VA	Cox Cable	164,699	(6/89)
20.	Fairfax, VA	Media General	164,519	(6/89)
21.	Tulsa, OK	UA Entertainment	159,551	(7/89)
22.	Connecticut Complex	Cablevision Systems	157,148	(8/89)
23.	Jacksonville, FL	Continental Cablevision	154,600	(5/89)
24.	Hartford/Plainville/Vernon, CT	UA Entertainment	152,683	(6/89)
25.	Chicago, IL	TCI	148,857	(4/89)
26.	Memphis/W. Memphis, TN	ATC	148,000	(1/89)
27.	Kansas City, MO	ATC	147,000	(2/89)
28.	San Jose/Campbell, CA	Heritage	145,000	(6/89)
29.	Baltimore County, MD	Comcast	144,000	(6/89)
30.	Manhattan, NY	Paragon	143,500	(6/89)
31.	Buffalo, NY	Adelphia Comm.	139,515	(8/89)
32.	Denver (suburbs), CO	UA Entertainment	139,303	(6/89)
33.	Charlotte, NC	ATC	139,000	(1/89)
34.	Pompano, FL	Continental	138,465	(6/89)
35.	St. Louis, MO	Cencom	134,817	(7/89)
36.	San Francisco, CA	Viacom	134,000	(6/89)
37.	Brooklyn/Queens, NY	Warner	132,500	(6/89)
38.	San Diego, CA	ATC	132,000	(1/89)
39.	Martin/Stuart Co, FL	ATC	129,460	(3/89)
40.	Seattle, WA	TCI	124,613	(8/89)
41.	Austin, TX	ATC	120,000	(1/89)
42.	Warren, NJ	TKR	119,358	(7/89)
43.	Richmond, VA	Continental	119,003	(1/89)
44.	Pinellas County, FL	Newhouse	114,000	(6/89)
45.	Wilmington, DE	Heritage	112,000	(6/89)
46.	Tacoma, WA	Viacom	112,000	(6/89)
47.	Grand Rapids, MI	UA Entertainment	111,198	(6/89)
48.	San Diego County, CA	Times Mirror	111,029	(5/89)
49.	Toledo, OH	Blade Communications	110,785	(5/89)
50.	Southeast Michigan	Comcast	110,000	(6/89)
51.	Chicago Suburbs, IL	Centel	109,576	(5/89)
52.	Raleigh/Durham, NC	ATC	109,000	(9/89)
53.	Las Vegas, NV	Prime Cable	107,288	(5/89)
54.	Dallas, TX	Heritage	107,244	(6/89)
55.	Jefferson Parish/Kenner, LA	Cox Cable	106,332	(6/89)
56.	San Juan, PR	Multivision Cable	106,046	(6/89)
57.	Indianapolis, IN	Comcast	104,000	(6/89)
58.	Boston/Brookline, MA	Cablevision Systems	102,130	(8/89)
59.	Nashville, TN	Viacom	101,500	(6/89)
60.	Hillsborough/Tampa, FL	Paragon	100,281	(2/89)
61.	Pittsburgh, PA	TCI	98,952	(8/89)
62.	Chicago, IL	Group W	98,700	(5/89)
63.	Monmouth, NJ	Sutton Capital	97,266	(7/89)
64.	Jackson, MS	ATC	97,000	(1/89)
65.	St. Petersburg, FL	Paragon	95,412	(2/89)
66.	Greensboro, NC	ATC	95,200	(8/89)
67.	Naples, FL	Palmer	94,450	(6/89)
68.	Worcester Complex, MA	Greater Media	94,897	(9/89)
69.	Reading, PA	ATC	94,000	(1/89)
70.	Milwaukee, WI	Warner	92,000	(6/89)
71.	Portland, OR	KBLCOM	91,500	(8/89)
72.	Greensboro, NC	ATC	91,000	(1/89)
73.	Dade/Broward County, FL	Storer	90,000	(8/89)
74.	Wichita, KS	Multimedia	88,732	(9/89)
75.	Independence,MO	Jones	88,628	(8/89)
76.	Tucson, AZ	Cooke	86,976	(8/89)
77.	Harrisburg, PA	Sammons	85,200	(8/89)
78.	Orange County, CA	KBLCOM	85,100	(8/89)
79.	Columbus, OH	Warner	85,000	(6/89)
80.	Baton Rouge, LA	UA Entertainment	84,976	(6/89)
81.	Dover/Morristown, NJ	Sammons	84,640	(8/89)
82.	Fresno, CA	Continental	84,217	(6/89)
83.	Akron, OH	Warner	84,000	(6/89)
84.	Montgomery County, MD	Hauser	84,000	(8/89)
85.	Albuquerque, NM	Jones Intercable	83,119	(5/89)
86.	Fayetteville, NC	ATC	83,000	(1/89)
87.	South Bend, IN	Heritage	82,744	(6/89)
88.	Houston Suburbs, TX	Prime Cable	82,000	(6/89)
89.	Medford Complex Boston Suburbs, MA	Warner	82,000	(6/89)
90.	Buffalo, NY	TCI	81,358	(7/89)
91.	Oakland County, MI	UA Entertainment	80,564	(8/89)
92.	Indianapolis, IN	ATC	80,000	(1/89)
93.	Oklahoma City, OK	Cox Cable	79,104	(6/89)
94.	New Orleans, LA	Cox Cable	78,979	(6/89)
95.	Providence/Warwick, RI	Times Mirror	78,528	(6/89)
96.	Allentown, PA	Service Electric	78,000	(8/89)
97.	Thousand Oaks, CA	Western	78,000	(8/89)
98.	Omaha, NE	Cox Cable	75,625	(6/89)
99.	South Texas, TX	Heritage	75,560	(6/89)
100.	Pleasant Hill, CA	WestMarc	74,805	(8/89)

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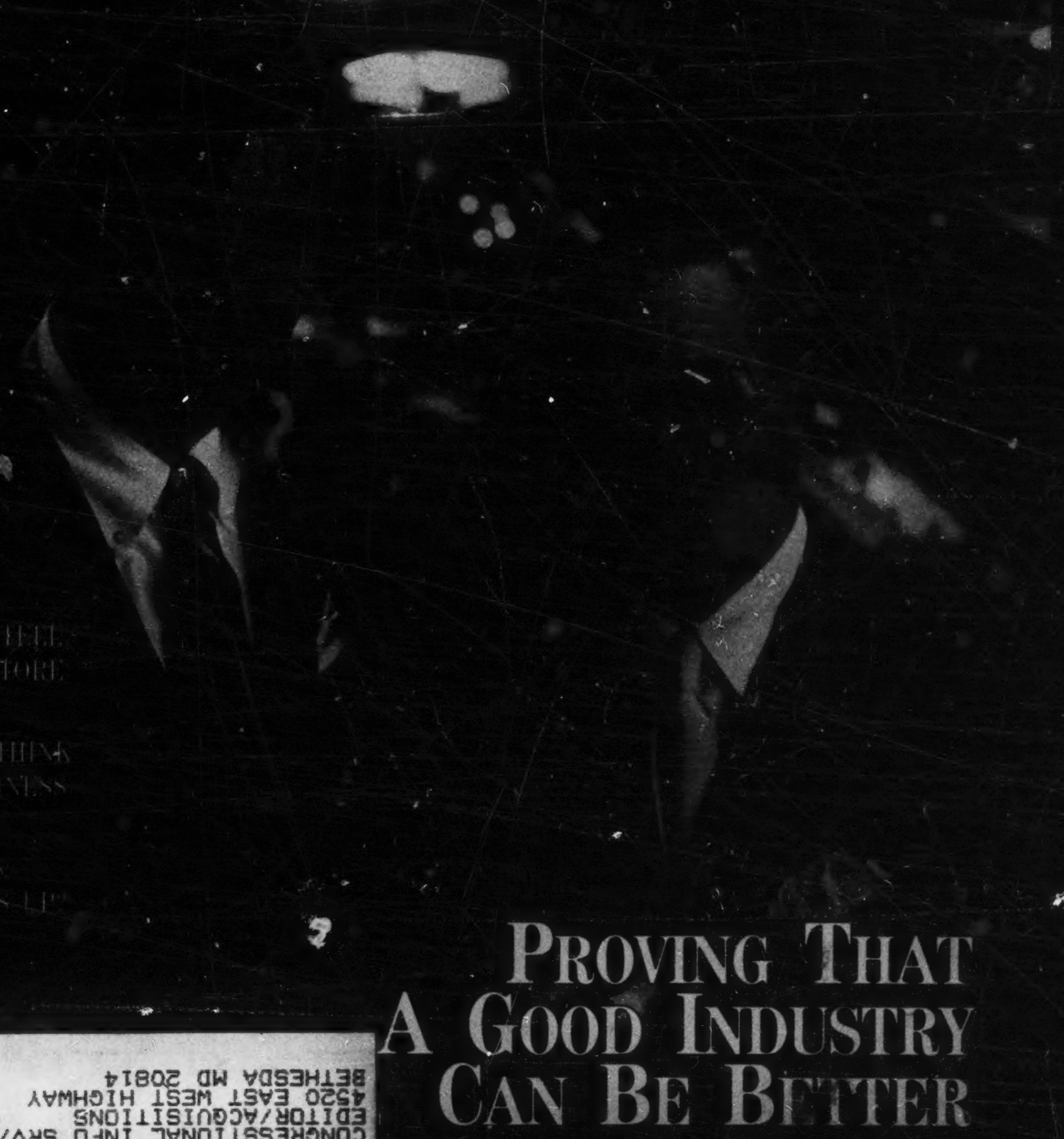
FOR CABLE TELEVISION



DOLAN HITS
HIS STRIDE

URBAN GMS TELL
WHAT'S IN STORE

TIME TO RETHINK
BYPASS BUSINESS

AD BILLINGS:
HOW HIGH IS UP?

PROVING THAT A GOOD INDUSTRY CAN BE BETTER

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Operator of the Year Amos Hostetter
with Atlantic Show keynoter Bill Daniels

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT OCTOBER 23, 1989

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ABP BPA

The CABLE POLL

TM Midwest CATV & CableVision Magazine

GMs: We can get the job done

Although the job of running a cable system presents a myriad of daunting challenges, system managers express a quiet confidence in their abilities to meet the increasing burdens placed on them by corporate headquarters and by the rising expectations of a demanding public. Nearly 400 of them were interviewed by the Cable Poll™, and the vast majority said they feel they are succeeding in managing the four critical areas of system operations—staying within budget and meeting profit projections, achieving goals set in the current marketing plan, dealing with MIS and billing systems, and hiring and training a diverse staff.

Of the four, marketing apparently presents the toughest challenge for system managers, with 12 percent of respondents saying it is very difficult to achieve the goals mandated by corporate, and 40 percent saying it is somewhat difficult. Dealing with MIS and billing issues, on the other hand, is a snap. Only 26 percent said that is a very difficult or somewhat difficult management issue.

Probably because it is related to marketing, staying within budget and meeting profit margin projections also is a tough nut for system managers. Nearly half of Cable Poll™ respondents said staying abreast of the cash flow demands placed on them is very or somewhat difficult. Only about one in six system managers said delivering expected profit margins is not difficult at all.

Number

3

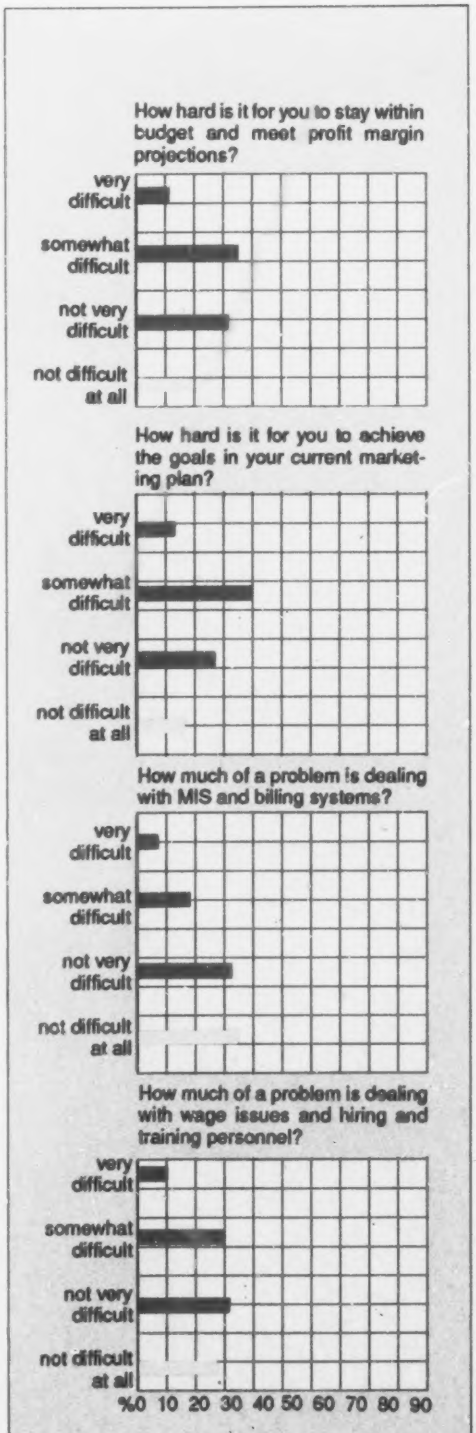
in a series of ten

Surprisingly, system managers say hiring, training and managing a workforce is less of a problem than many other tasks they confront. Only one in 10 said it's a big problem, while more than half said they have very few or no problems at all with their staffs.

In fact, managers say the issues surrounding hiring, training and managing a staff have become easier to handle. Compared with a couple of years ago, 41 percent said employee issues—especially those related to wages—have gotten better. Only 9 percent said they have gotten worse.

System managers are about evenly split as to whether the resources they get from corporate are adequate to achieve the goals corporate sets. Forty-four percent said that, given the resources they are given, it is very difficult or somewhat difficult to meet plan, while 52 percent said they receive adequate resources.

The Cable Poll™ is conducted for Midwest CATV and *CableVision* magazine by Ryan/Samples Research. Telephone interviews for this edition of the poll were conducted Aug. 14-19 with a random sample of 387 system management personnel obtained from CableFile Research. Cable Poll™ researchers are 95 percent confident that the results are an accurate reflection of the total industry within plus or minus 5 percentage points. ■



ADVERTISING

Bullish analysts predict soaring billings; some feel CPMs may catch up with broadcast

◆◆◆◆◆◆

By Larry Jaffee

1989 NATIONAL ADVERTISING OUTLOOK

(Measured in billions)

Media	Percent Over 1988	Dollars
Network TV	+ 1	$ 9,265
Cable TV	25	1,180
Syndicated TV	25	1,125
Spot TV	5	7,505
Network Radio	10	465
Spot Radio	9	1,545
Magazines	10	6,680
Newspapers	3	3,695
Direct Mail	10	23,225
Yellow Pages	10	1,040
Other Media	7	14,875
TOTAL MEDIA	7.6	70,600

Source: McCann-Erickson

The New York Times wasn't specifically talking about the cable industry, but may as well have, when in a recent page-one article on the profound changes on Madison Avenue it commented on "the splintering of the mass market into hundreds of smaller markets, and the development of new ways of communicating them."

The Cabletelevision Advertising Bureau, citing figures projected by Paul Kagan Associates, estimates that total cable ad billings next year will hit $2.365 billion, compared to $1.963 billion this year, a 21 percent increase. The 1990 figure breaks down to: cable networks, $1.646 billion, up 18 percent; national/local spots, $620 million, up 27 percent; and regional sports, $100 million, up 35 percent.

"Cable today appears to have limitless growth potential as its share of audience and advertising revenues grow and as new networks continue to thrive in an extremely competitive environment," according to a report by Myers Marketing & Research funded by 16 cable networks.

This year the upfront ad market for cable blossomed with sales increases ranging from 25 percent to 400 percent, the report stated, noting that 1988 was the first time cable experienced an upfront season.

Sixty-five percent of respondents to Myers 1989 Survey of Advertising Executives believe that increased activity in a cable upfront market will have a significant continuing impact on the media industry.

According to the Myers report, cable subscriber/ratings growth and continued broadcast audience erosion also will have a significant impact on media decisions. The survey also found that cable network cost-per-thousand (CPM) will increase an average of 13.5 percent in 1989 after years of remaining constant in a minimal growth mode.

"The cable networks continue to sell many more commercials and in a number of cases they have been able to command significant rate increases for some of their inventory," said Robert Coen, senior vice president and director of forecasting at McCann-Erickson, the advertising industry's forecast guru, in his June *Insider's Report.*

"Commercial time in selected programs that have shown good audience growth in the last 12 months is now beginning to command considerably higher prices. We expect another year of high double-digit growth for cable network ad revenue in 1989," said Coen, noting that 1989's first quarter jumped 41 percent over the 1988 period.

While he hasn't begun working on 1990 projections, Coen said he anticipates next year to be much like 1989, although he wonders whether cable will maintain such significant growth levels. "It has got to come down; it's not sustainable," said the McCann-Erickson executive, who will be revealing his report for next year at the Paine Webber media conference in December.

Forty-four percent of the respondents to the Myers survey stated that network merchandising tie-ins would have an impact on their media decisions during the next 12 months. In 1988, less than 25 percent considered tie-ins to have an important influence on media decisions.

In 1988 and 1989, cable networks experienced the benefits of demand for the first time. "Our research

1989 CABLE NETWORK AD REVENUES

(Percent change over 1988)

January	+27
February	+28
March	+66
First quarter	+41
April	+27
First four months	+36

Source: McCann-Erickson

confirms that demand will increase in future years even though new networks are adding inventory," Myers said.

In 1989, due to the higher-than-expected broadcast network CPM increases, agencies pressured cable networks to maintain or lower their CPMs, in order to deliver lower overall increases to their clients. "Recognizing the inevitable long-term trend toward increased cable CPMs, several agencies are offering cable networks long-term deals—as long as five years," the report said.

Myers also predicted that within the next five years, cable network CPMs will achieve parity with the broadcast networks and that some cable networks will be sold at a premium over broadcast costs.

Acquisition of major sporting events is viewed by advertisers and agency executives as the No. 1 opportunity for contributing to substantial future growth of cable ad revenue, according to the Myers report.

A possible cable advertising trend for 1990, noted Jonathan Sims, CAB vice president of research, is the tactic by operators to give away second and third-set converter boxes. "Ratings go up when you hook up multiple sets. The analysis is that while there is a trade-off in giving away converter boxes, there is a boost in advertising revenue with the increased ratings," Sims pointed out.

Although cable is found in 57 percent of U.S. households, only 39 percent of the country's TV sets are hooked up. "There's tremendous upside leverage," he added.

A second trend identified by Sims is a standardization of demographics and day part ratings for cable, so that media planners can make their spot buys for cable in the same way they do for broadcast TV. "CAB is helping toward that uniformity in cable reach and frequency," he added.

There's a strong demand for such information by ad agencies who are very interested in cable but perceive it still to be at a young stage without adequate data. "We're now getting that consistency," Sims said.

Some national cable spot rep firms report healthy increases for 1989 and forecast similar hikes for next year.

In 1990, Cable Networks Inc., currently serving 315 systems, is looking at doing $36-$40 million in revenue, coming off this year at close to $30 million, according to Peter Moran, CNI senior vice president. In 1988, CNI did $18 million.

"The markets are unifying under one rep firm. This has eliminated confusion and driven business. It has been the year of the interconnect," said Moran, citing new interconnects starting up or expanding into other systems in Tampa, Dallas, San Francisco, New York, Cleveland, Atlanta, Nashville and Orlando.

National Cable Advertising, in more than 80 TV markets representing more than 15 million cable households, also is forecasting a pretty strong year for 1990.

"A lot of advertisers are looking at us very closely," said NCA President Bob Williams. "Agencies for years used to listen to us politely but didn't take us seriously. Now they're actively figuring out how to plan (for cable)," he added.

Williams estimated NCA's business in 1990 will increase 30 percent. This year, excluding interconnect and sports business, the rep firm will generate $18-$20 million in outbound sales, "pure spot cable."

This past third quarter was soft, due to a weak automotive category, Williams pointed out, attributing the slackening to the recent change in the sales tax law resulting in new car purchases no longer being allowed as deductible. However, he's optimistic that the category will bounce back. .

Williams said the cable advertising business has benefitted from the continuing consolidation of ownership, with the larger MSOs instituting company-wide local ad programs so that systems of "any decent size" will sell spots in the near future if they're not doing it already.

Generally, MSOs leave it to the systems to determine for themselves whether they'll sell the spots in-house or commission a regional or national rep firm to do it for them, Williams added.

The Television Bureau of Advertising, which doesn't forecast cable television performance, estimates that broadcast TV revenues will grow 7.1 percent in 1990, based on indicators pointing to a stable and strong economy.

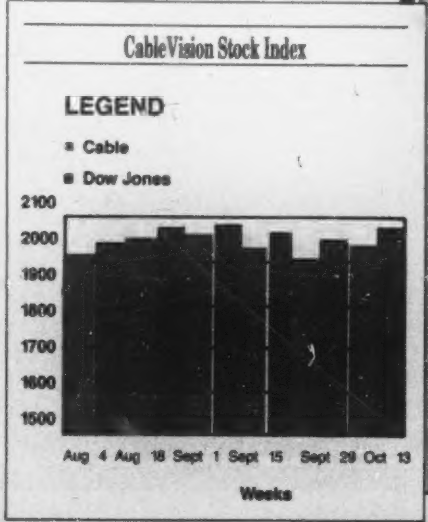
The TvB forecasts: local TV up 6-8 percent; spot TV, up 5-7 percent; network TV, up 6-8 percent; and syndication, up 15-17 percent.

"These increases compare favorably with an anticipated 6.2 percent rise in the GNP and an increase in the Consumer Price Index of 4.6 percent, continuing to outpace the inflation rate." TvB said. ■

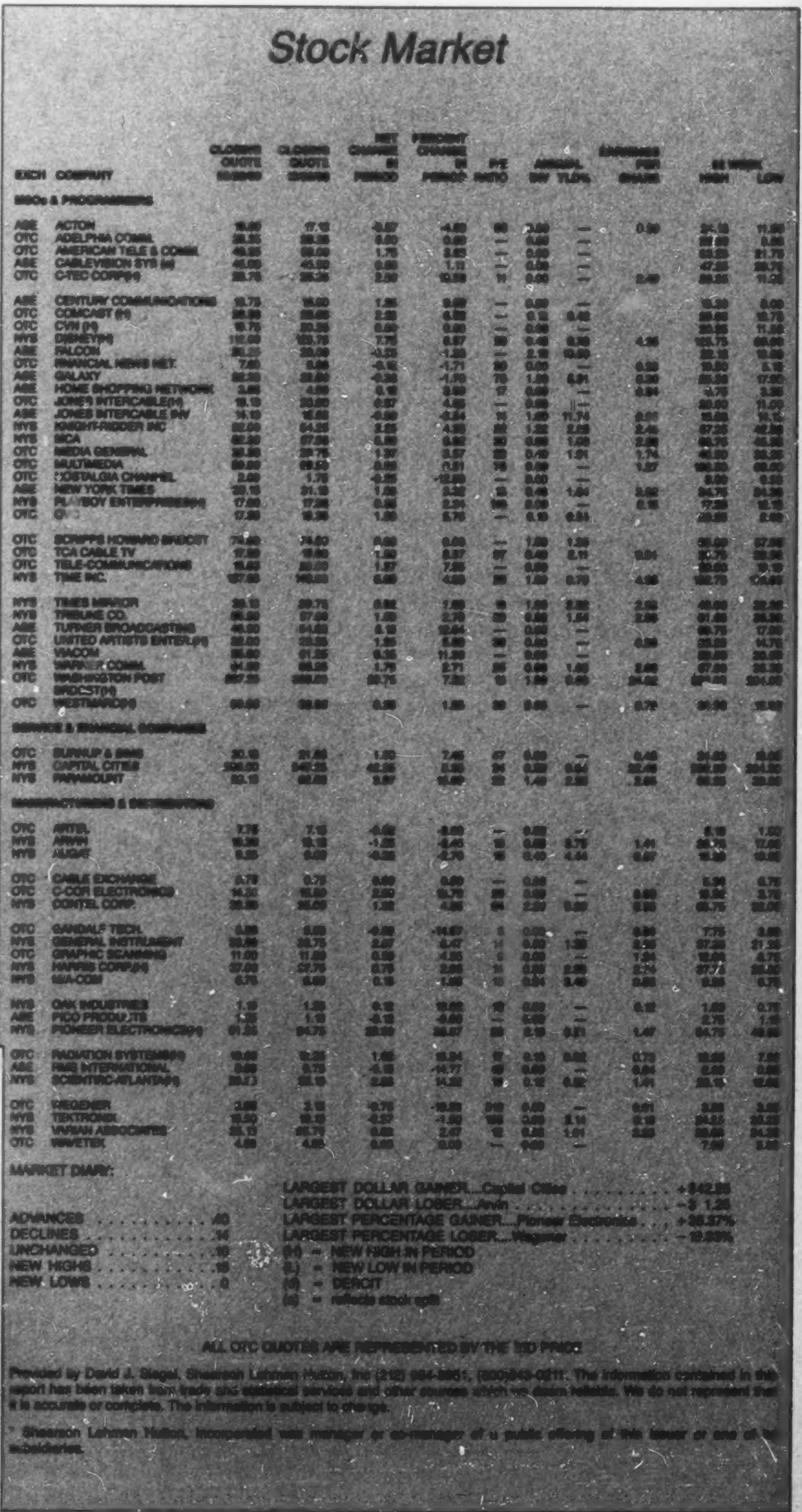
Importunate as that bid may have been, it did not slow Cablevision's acquisitiveness. Last May, the company closed on a revolutionary deal to acquire cable systems in Arizona from Republic Cable Partners for $147.5 million, then turned around and struck a deal to swap those properties with Times Mirror in exchange for Times Mirror systems in New York and Massachusetts in a tax-free swap that is expected to become a model for subsequent deals throughout an industry eager for alternative means of streamlining operations without bidding up the price of systems.

There are no indications that Cablevision is sitting still. "We still have a fair way to go in this business," Bell says. In the works, sources say, are a bid for the Newark, N.J., system put on the market by the estate of its late owner, Peter Gilbert.

And preliminary indications are that Cablevision is listening to cable operators who want an equity stake in the expansion of its programming operations. Rumors circulating at a recent convention have Comcast Corp. taking a position in the upcoming basic sports service in Philadelphia, although there's no confir-



Stock Market



MARKET DIARY:

ADVANCES 40
DECLINES 14
UNCHANGED 10
NEW HIGHS 18
NEW LOWS 0

LARGEST DOLLAR GAINER...Capital Cities . . . . + $42.85
LARGEST DOLLAR LOSER...Arvin . . . . − $ 1.25
LARGEST PERCENTAGE GAINER...Pioneer Electronics . . . + 28.37%
LARGEST PERCENTAGE LOSER...Wegener . . . . − 19.35%
(H) = NEW HIGH IN PERIOD
(L) = NEW LOW IN PERIOD
(d) = DEFICIT
(s) = reflects stock split

ALL OTC QUOTES ARE REPRESENTED BY THE BID PRICE

Provided by David J. Siegal, Shearson Lehman Hutton, Inc (212) 984-8851, (800)843-0211. The information contained in this report has been taken from trade and statistical services and other sources which we deem reliable. We do not represent that it is accurate or complete. The information is subject to change.

* Shearson Lehman Hutton, Incorporated was manager or co-manager of a public offering of this issuer or one of its subsidiaries.

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	387	9,000,000
Alternate View Network	300	4,500,000
Arts & Entertainment Network (A&E)	3,700	39,673,000
Black Entertainment Television	1,800	24,218,000
CNBC	700	13,000,000
Cable News Network	11,860	51,527,000
Cable Value Network	1,800	23,300,000
C-SPAN	3,341	46,600,000
C-SPAN II	651	18,300,000
Country Music Television	1,092	9,124,974
The Discovery Channel	5,324	44,600,000
Eco/Galavision	300	1,000,000
ESPN	20,500*	53,400,000
Eternal Word Television Network	490	10,800,000
The Family Channel	8,424	45,734,000
Family Guide Network	60	4,500,000
FamilyNet	388	3,700,000
The Fashion Channel	650	10,100,000
Financial News Network	3,500	31,219,000
FNN/Score	1,600	20,000,000
Headline News	3,410	37,727,000
Home Shopping Network	1,488	16,928,895
Home Shopping Network II	384	6,796,525
The Inspirational Network	920	9,500,000
International Television Network	25	7,868,900
J.C. Penney TV Shopping Channel	119	5,100,000
KTVT	417	3,600,000
The Learning Channel	1,142	17,500,000
Lifetime	3,800	44,177,000
Mind Extension University	156	4,900,000
MTV	5,405	47,137,000
Movietime	447	14,000,000
The Nashville Network	8,318	45,923,000
National College Television	147	5,800,000
Nick At Nite	3,440	39,600,000
Nickelodeon	6,600	47,183,000
The Nostalgia Channel	389	5,800,000
Prevue Guide	475	12,300,000
QVC Network	1,000	14,100,000
RFD TV	30	2,182,190
Silent Network	189	13,600,000
SportsChannel America**	N.A.	1,500,000
TBS Superstation	9,426	50,582,000
Telemundo***	5	109,000
TNT	3,200	33,500,000
The Travel Channel	659	11,000,000
Trinity Broadcasting Network	725	9,100,000
Univision***	500	509,500
USA Network	10,100	48,427,000
VH-1	2,530	32,390,000
Vision Interfaith Satellite Network	315	6,200,000
The Weather Channel	3,650	39,051,000
WGN-TV	11,415	24,900,000
WWOR-TV	2,600	12,500,000
WPIX-TV	858	9,678,474
WSBK-TV (new)	57	350,808
Bonus/basic services		
American Movie Classics	1,700	20,000,000
Bravo	375	2,500,000
Pay services		
American Exxxtasy	35	27,000
Cinemax	3,650	6,600,000
The Disney Channel	5,700	4,337,300
Home Box Office	7,400	17,000,000
The Movie Channel	3,250	2,700,000
The Playboy Channel	526	470,000
Showtime	6,000	6,600,000
Audio services		
AEI Lifestyle	142	2,578,838
AEI StarTracks Vocal Hits	26	854,390
Cable Radio Network	59	2,500,000
Galatic Radio	102	3,000,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804
Text services		
AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	45	1,333,000
EPG	280	6,800,000
EPG Jr.	312	320,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000
Computer services		
DBC/MarketWatch	462	9,200,000
X*Press Executive	487	14,000
X*Press X*Change	487	14,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Consumer Classified Ad Network	3	195,000
Fuji Network	3	12,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000
Pay services		
Nippon Golden Network	5	13,600

Interactive services

Basic services	Affiliates	Subscribers
Video Jukebox Network	22	1,950,000

Regional services

Basic services	Affiliates	Subscribers
Arizona Sports Programming Network	N.A.	210,000
Atlanta Interfaith	7	180,000
Bay Area Religious Channel	6	113,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,200,000
Life Newsvision	35	50,000
Madison Square Garden Network	120	3,400,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	594,000
Midwest Sports Channel (new)	90	400,000
Niagara Frontier Sports Network	13	800,000
Northwest Cable Sports Network	3	700,000
Pennarama	28	750,000
Prime Cable	9	381,938
Prime Sports Network	11	300,000
Prime Ticket	115	3,500,000
SportsChannel (Chicago)	50	1,507,270
SportsChannel (Ohio)	2	500,000
Sunshine Network	200	2,310,000
Pay services		
Home Sports Entertainment	250	1,000,000
Home Team Sports	160	1,400,000
New England Sports Network	171	317,201
Prism	87	427,000
Pro-Am Sports	173	523,000
SportsChannel (Florida)	22	650,000
SportsChannel (Los Angeles)	76	125,000
SportsChannel (New England)	154	1,200,000
SportsChannel (New York)	100	1,300,000

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 345 Park Avenue South, 9th Floor, New York, NY 10010.
N/A denotes information not available.
***Includes MMDS and SMATV systems**
****Count represents standalone affiliates/subscribers; portions of SC America are carried on Home Team Sports and the SportsChannel family of regional services.**
*****Spanish-speaking households.**

Announced services

Satellite-fed services	Expected launch
American Western Network	1st Quarter 1990
The Asia Network	4th Quarter 1989
Career Channel Network	10/89
CD/16: The Digital Music Network	4th Quarter 1989
The Computer Channel	4th Quarter 1989
Cowboy TV Network	3/90
Digital Cable Radio	12/89
Digital Radio Channel	4th Quarter 1989
The Gaming Network	9/90
The Global Channel	1st Quarter 1990
Global Village Network	3rd Quarter 1990
HA TV Comedy Network (MTV)	4/90
HBO Comedy Channel	11/89
The How-To Channel	2nd Quarter 1990
Interactive Game Network	4th Quarter 1989
Kids Information Network	4th Quarter 1989
Maximum Entertainment Network	4th Quarter 1989
Mizlou Sports News Network	11/89
Music Image Channel	11/89
Prime Network	4th Quarter 1989
QVC/CVN Network II	2/90
The Sci-Fi Channel	4th Quarter 1990
Talk Television	4th Quarter 1989

Non satellite-fed services	Expected launch
ACTV	4th Quarter 1989
Main Street	4th Quarter 1989
On Demand/UTV TV Network	4th Quarter 1989